

FIRST REGULAR SESSION
[PERFECTED]
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 660
91ST GENERAL ASSEMBLY

Reported from the Committee on Retirement, March 26, 2001, with recommendation that the House Committee Substitute for House Bill No. 660 Do Pass.

Taken up for Perfection April 24, 2001. House Committee Substitute for House Bill No. 660 ordered Perfected and printed, as amended.

TED WEDEL, Chief Clerk

1149L.03P

AN ACT

To repeal sections 160.420, 169.070, 169.075, 169.270, 169.280, 169.291, 169.301, 169.315, 169.324, 169.410, 169.420, 169.430, 169.440, 169.450, 169.460, 169.462, 169.466, 169.471, 169.475, 169.476, 169.480, 169.490, 169.500, 169.510, 169.520, 169.540 and 169.670, RSMo 2000, relating to the public school retirement system, and to enact in lieu thereof twenty-seven new sections relating to the same subject, with an emergency clause.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 160.420, 169.070, 169.075, 169.270, 169.280, 169.291, 169.301, 169.315, 169.324, 169.410, 169.420, 169.430, 169.440, 169.450, 169.460, 169.462, 169.466, 169.471, 169.475, 169.476, 169.480, 169.490, 169.500, 169.510, 169.520, 169.540 and 169.670, RSMo 2000, are repealed and twenty-seven new sections enacted in lieu thereof, to be known as sections 160.420, 169.070, 169.075, 169.270, 169.280, 169.291, 169.301, 169.315, 169.324, 169.410, 169.420, 169.430, 169.440, 169.450, 169.460, 169.466, 169.471, 169.475, 169.476, 169.480, 169.490, 169.500, 169.510, 169.520, 169.540, 169.670 and Section 1, to read as follows:

160.420. 1. If a charter school offers to retain the services of an employee of a school district, and the employee accepts a position at the charter school, the contract between the charter school and the school district may provide that an employee at the employee's option may

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

4 remain an employee of the district and the charter school shall pay to the district the district's full
5 costs of salary and benefits provided to the employee. A teacher who accepts a position at a
6 charter school and opts to remain an employee of the district retains such teacher's permanent
7 teacher status and seniority rights in the district. The school district shall not be liable for any
8 such employee's acts while an employee of the charter school.

9 2. A charter school may employ noncertificated instructional personnel; provided that
10 no more than twenty percent of the full-time equivalent instructional staff positions at the school
11 are filled by noncertificated personnel. All noncertified instructional personnel shall be
12 supervised by certified instructional personnel. The charter school shall ensure that all
13 instructional employees of the charter school have experience, training and skills appropriate to
14 the instructional duties of the employee, and the charter school shall ensure that a criminal
15 background check and child abuse registry check are conducted for each employee of the charter
16 school prior to the hiring of the employee. Appropriate experience, training and skills of
17 noncertificated instructional personnel shall be determined considering:

- 18 (1) Teaching certificates issued by another state or states;
- 19 (2) Certification by the National Standards Board;
- 20 (3) College degrees in the appropriate field;
- 21 (4) Evidence of technical training and competence when such is appropriate; and
- 22 (5) Level of supervision and coordination with certificated instructional staff.

23 3. Personnel employed by the charter school shall participate in the retirement system
24 of the school district in which the charter school is located, subject to the same terms, conditions,
25 requirements and other provisions applicable to personnel employed by the school district. **For**
26 **purposes of participating in the retirement system, the charter school shall be considered**
27 **to be a public school within the school district, and personnel employed by the charter**
28 **school shall be public school employees. In the event of a lapse of the school district's**
29 **corporate organization as described in subsections 1 and 4 of section 162.081, RSMo,**
30 **personnel employed by the charter school shall continue to participate in the retirement**
31 **system and shall do so on the same terms, conditions, requirements and other provisions**
32 **as they participated prior to the lapse.**

169.070. 1. The retirement allowance of a member whose age at retirement is sixty years
2 or more and whose creditable service is five years or more, or whose sum of age and creditable
3 service equals eighty years or more, or who has attained age fifty-five and whose creditable
4 service is twenty-five years or more or whose creditable service is thirty years or more regardless
5 of age, may be the sum of the following items, not to exceed one hundred percent of the
6 member's final average salary:

- 7 (1) Two and five-tenths percent of the member's final average salary for each year of

8 membership service;

9 (2) Six-tenths of the amount payable for a year of membership service for each year of
10 prior service not exceeding thirty years.

11

12 In lieu of the retirement allowance otherwise provided in subdivisions (1) and (2) of this
13 subsection, a member may elect to receive a retirement allowance of:

14 (3) Between July 1, 1998, and July 1, 2003, two and four-tenths percent of the member's
15 final average salary for each year of membership service, if the member's creditable service is
16 twenty-nine years or more but less than thirty years, and the member has not attained age
17 fifty-five;

18 (4) Between July 1, 1998, and July 1, 2003, two and thirty-five-hundredths percent of
19 the member's final average salary for each year of membership service, if the member's creditable
20 service is twenty-eight years or more but less than twenty-nine years, and the member has not
21 attained age fifty-five;

22 (5) Between July 1, 1998, and July 1, 2003, two and three-tenths percent of the member's
23 final average salary for each year of membership service, if the member's creditable service is
24 twenty-seven years or more but less than twenty-eight years, and the member has not attained
25 age fifty-five;

26 (6) Between July 1, 1998, and July 1, 2003, two and twenty-five-hundredths percent of
27 the member's final average salary for each year of membership service, if the member's creditable
28 service is twenty-six years or more but less than twenty-seven years, and the member has not
29 attained age fifty-five;

30 (7) Between July 1, 1998, and July 1, 2003, two and two-tenths percent of the member's
31 final average salary for each year of membership service, if the member's creditable service is
32 twenty-five years or more but less than twenty-six years, and the member has not attained age
33 fifty-five;

34 **(8) Between July 1, 2001, and June 30, 2008, two and fifty-five hundredths percent**
35 **of the member's final average salary for each year of membership service, if the member's**
36 **creditable service is thirty-one years or more regardless of age.**

37 2. In lieu of the retirement allowance provided in subsection 1 of this section, a member
38 whose age is sixty years or more on September 28, 1975, may elect to have the member's
39 retirement allowance calculated as a sum of the following items:

40 (1) Sixty cents plus one and five-tenths percent of the member's final average salary for
41 each year of membership service;

42 (2) Six-tenths of the amount payable for a year of membership service for each year of
43 prior service not exceeding thirty years;

44 (3) Three-fourths of one percent of the sum of subdivisions (1) and (2) of this subsection
45 for each month of attained age in excess of sixty years but not in excess of age sixty-five.

46 3. (1) In lieu of the retirement allowance provided either in subsection 1 or 2 of this
47 section, collectively called "option 1", a member whose creditable service is twenty-five years
48 or more or who has attained the age of fifty-five with five or more years of creditable service may
49 elect in the member's application for retirement to receive the actuarial equivalent of the
50 member's retirement allowance in reduced monthly payments for life during retirement with the
51 provision that:

52 Option 2. Upon the member's death the reduced retirement allowance shall be continued
53 throughout the life of and paid to such person as has an insurable interest in the life of the
54 member as the member shall have nominated in the member's election of the option, and
55 provided further that if the person so nominated dies before the retired member, the retirement
56 allowance will be increased to the amount the retired member would be receiving had the retired
57 member elected option 1;

58 OR

59 Option 3. Upon the death of the member three-fourths of the reduced retirement
60 allowance shall be continued throughout the life of and paid to such person as has an insurable
61 interest in the life of the member and as the member shall have nominated in an election of the
62 option, and provided further that if the person so nominated dies before the retired member, the
63 retirement allowance will be increased to the amount the retired member would be receiving had
64 the member elected option 1;

65 OR

66 Option 4. Upon the death of the member one-half of the reduced retirement allowance
67 shall be continued throughout the life of, and paid to, such person as has an insurable interest in
68 the life of the member and as the member shall have nominated in an election of the option, and
69 provided further that if the person so nominated dies before the retired member, the retirement
70 allowance shall be increased to the amount the retired member would be receiving had the
71 member elected option 1;

72 OR

73 Option 5. Upon the death of the member prior to the member having received one
74 hundred twenty monthly payments of the member's reduced allowance, the remainder of the one
75 hundred twenty monthly payments of the reduced allowance shall be paid to such beneficiary as
76 the member shall have nominated in the member's election of the option or in a subsequent
77 nomination. If there is no beneficiary so nominated who survives the member for the remainder
78 of the one hundred twenty monthly payments, the reserve for the remainder of such one hundred
79 twenty monthly payments shall be paid to the estate of the last person to receive a monthly

80 allowance;

81

OR

82 Option 6. Upon the death of the member prior to the member having received sixty
83 monthly payments of the member's reduced allowance, the remainder of the sixty monthly
84 payments of the reduced allowance shall be paid to such beneficiary as the member shall have
85 nominated in the member's election of the option or in a subsequent nomination. If there is no
86 beneficiary so nominated who survives the member for the remainder of the sixty monthly
87 payments, the reserve of the remainder of such sixty monthly payments shall be paid to the estate
88 of the last person to receive a monthly allowance.

89 (2) The election of an option may be made only in the application for retirement and such
90 application must be filed prior to the date on which the retirement of the member is to be
91 effective. If either the member or the person nominated to receive the survivorship payments
92 dies before the effective date of retirement, the option shall not be effective, provided that:

93 (a) If the member or a person retired on disability retirement dies after acquiring
94 twenty-five or more years of creditable service or after attaining the age of fifty-five years and
95 acquiring five or more years of creditable service and before retirement, except retirement with
96 disability benefits, and the person named by the member as the member's primary beneficiary
97 has an insurable interest in the life of the deceased member, the designated beneficiary may elect
98 to receive either survivorship benefits under option 2 or a payment of the accumulated
99 contributions of the member. If survivorship benefits under option 2 are elected and the member
100 at the time of death would have been eligible to receive an actuarial equivalent of the member's
101 retirement allowance, the designated beneficiary may further elect to defer the option 2 payments
102 until the date the member would have been eligible to receive the retirement allowance provided
103 in subsection 1 or 2 of this section;

104 (b) If the member or a person retired on disability retirement dies before attaining age
105 fifty-five but after acquiring five but fewer than twenty-five years of creditable service, and the
106 person named as the member's primary beneficiary has an insurable interest in the life of the
107 deceased member, the designated beneficiary may elect to receive either a payment of the
108 member's accumulated contributions, or survivorship benefits under option 2 to begin on the date
109 the member would first have been eligible to receive an actuarial equivalent of the member's
110 retirement allowance, or to begin on the date the member would first have been eligible to
111 receive the retirement allowance provided in subsection 1 or 2 of this section.

112 4. If the total of the retirement allowance paid to an individual before the death of the
113 individual is less than the accumulated contributions at the time of retirement, the difference
114 shall be paid to the beneficiary of the individual, or to the estate of the individual, if there be no
115 beneficiary. If an optional benefit as provided in option 2, 3 or 4 in subsection 3 of this section

116 had been elected, and the beneficiary dies after receiving the optional benefit, and if the total
117 retirement allowance paid to the retired individual and the beneficiary of the retired individual
118 is less than the total of the contributions, the difference shall be paid to the estate of the
119 beneficiary unless the retired individual designates a different recipient with the board at or after
120 retirement.

121 5. If a member dies before receiving a retirement allowance, the member's accumulated
122 contributions at the time of the death of the member shall be paid to the beneficiary of the
123 member or to the estate of the member, if there be no beneficiary; except that, no such payment
124 shall be made if the beneficiary elects option 2 in subsection 3 of this section, unless the
125 beneficiary dies before having received benefits pursuant to that subsection equal to the
126 accumulated contributions of the member, in which case the amount of accumulated
127 contributions in excess of the total benefits paid pursuant to that subsection shall be paid to the
128 estate of the beneficiary.

129 6. If a member ceases to be a public school employee as herein defined and certifies to
130 the board of trustees that such cessation is permanent, or if the membership of the person is
131 otherwise terminated, the member shall be paid the member's accumulated contributions with
132 interest.

133 7. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary, if a
134 member ceases to be a public school employee after acquiring five or more years of membership
135 service in Missouri, the member may at the option of the member leave the member's
136 contributions with the retirement system and claim a retirement allowance any time after
137 reaching the minimum age for voluntary retirement. When the member's claim is presented to
138 the board, the member shall be granted an allowance as provided in sections 169.010 to 169.141
139 on the basis of the member's age, years of service, and the provisions of the law in effect at the
140 time the member requests the member's retirement to become effective.

141 8. The retirement allowance of a member retired because of disability shall be
142 nine-tenths of the allowance to which the member's creditable service would entitle the member
143 if the member's age were sixty, or fifty percent of one-twelfth of the annual salary rate used in
144 determining the member's contributions during the last school year for which the member
145 received a year of creditable service immediately prior to the member's disability, whichever is
146 greater, except that no such allowance shall exceed the retirement allowance to which the
147 member would have been entitled upon retirement at age sixty if the member had continued to
148 teach from the date of disability until age sixty at the same salary rate.

149 9. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary, from
150 October 13, 1961, the contribution rate pursuant to sections 169.010 to 169.141 shall be
151 multiplied by the factor of two-thirds for any member of the system for whom federal Old Age

and Survivors Insurance tax is paid from state or local tax funds on account of the member's employment entitling the person to membership in the system. The monetary benefits for a member who elected not to exercise an option to pay into the system a retroactive contribution of four percent on that part of the member's annual salary rate which was in excess of four thousand eight hundred dollars but not in excess of eight thousand four hundred dollars for each year of employment in a position covered by this system between July 1, 1957, and July 1, 1961, as provided in subsection 10 of this section as it appears in RSMo 1969, shall be the sum of:

(1) For years of service prior to July 1, 1946, six-tenths of the full amount payable for years of membership service;

(2) For years of membership service after July 1, 1946, in which the full contribution rate was paid, full benefits under the formula in effect at the time of the member's retirement;

(3) For years of membership service after July 1, 1957, and prior to July 1, 1961, the benefits provided in this section as it appears in RSMo 1959; except that if the member has at least thirty years of creditable service at retirement the member shall receive the benefit payable pursuant to that section as though the member's age were sixty-five at retirement;

(4) For years of membership service after July 1, 1961, in which the two-thirds contribution rate was paid, two-thirds of the benefits under the formula in effect at the time of the member's retirement.

10. The monetary benefits for each other member for whom federal Old Age and Survivors Insurance tax is or was paid at any time from state or local funds on account of the member's employment entitling the member to membership in the system shall be the sum of:

(1) For years of service prior to July 1, 1946, six-tenths of the full amount payable for years of membership service;

(2) For years of membership service after July 1, 1946, in which the full contribution rate was paid, full benefits under the formula in effect at the time of the member's retirement;

(3) For years of membership service after July 1, 1957, in which the two-thirds contribution rate was paid, two-thirds of the benefits under the formula in effect at the time of the member's retirement.

11. Any retired member of the system who was retired prior to September 1, 1972, or beneficiary receiving payments under option 1 or option 2 of subsection 3 of this section, as such option existed prior to September 1, 1972, will be eligible to receive an increase in the retirement allowance of the member of two percent for each year, or major fraction of more than one-half of a year, which the retired member has been retired prior to July 1, 1975. This increased amount shall be payable commencing with January, 1976, and shall thereafter be referred to as the member's retirement allowance. The increase provided for in this subsection shall not affect the retired member's eligibility for compensation provided for in section 169.580 or 169.585, nor

188 shall the amount being paid pursuant to these sections be reduced because of any increases
189 provided for in this section.

190 12. If the board of trustees determines that the cost of living, as measured by generally
191 accepted standards, increases two percent or more in the preceding fiscal year, the board shall
192 increase the retirement allowances which the retired members or beneficiaries are receiving by
193 two percent of the amount being received by the retired member or the beneficiary at the time
194 the annual increase is granted by the board with the provision that the increases provided for in
195 this subsection shall not become effective until the fourth January first following the member's
196 retirement or January 1, 1977, whichever later occurs, or in the case of any member retiring on
197 or after July 1, 2000, [and not for any member retiring before July 1, 2000,] the increase provided
198 for in this subsection shall not become effective until the third January first following the
199 member's retirement, **or in the case of any member retiring on or after July 1, 2001, the**
200 **increase provided for in this subsection shall not become effective until the second January**
201 **first following the member's retirement.** Commencing with January 1, 1992, if the board of
202 trustees determines that the cost of living has increased five percent or more in the preceding
203 fiscal year, the board shall increase the retirement allowances by five percent. The total of the
204 increases granted to a retired member or the beneficiary after December 31, 1976, may not
205 exceed eighty percent of the retirement allowance established at retirement or as previously
206 adjusted by other subsections. If the cost of living increases less than five percent, the board of
207 trustees may determine the percentage of increase to be made in retirement allowances, but at
208 no time can the increase exceed five percent per year. If the cost of living decreases in a fiscal
209 year, there will be no increase in allowances for retired members on the following January first.

210 13. The board of trustees may reduce the amounts which have been granted as increases
211 to a member pursuant to subsection 12 of this section if the cost of living, as determined by the
212 board and as measured by generally accepted standards, is less than the cost of living was at the
213 time of the first increase granted to the member; except that, the reductions shall not exceed the
214 amount of increases which have been made to the member's allowance after December 31, 1976.

215 14. Any application for retirement shall include a sworn statement by the member
216 certifying that the spouse of the member at the time the application was completed was aware
217 of the application and the plan of retirement elected in the application.

218 15. Notwithstanding any other provision of law, any person retired prior to September
219 28, 1983, who is receiving a reduced retirement allowance under option 1 or option 2 of
220 subsection 3 of this section, as such option existed prior to September 28, 1983, and whose
221 beneficiary nominated to receive continued retirement allowance payments under the elected
222 option dies or has died, shall upon application to the board of trustees have his or her retirement
223 allowance increased to the amount he or she would have been receiving had the option not been

224 elected, actuarially adjusted to recognize any excessive benefits which would have been paid to
225 him or her up to the time of application.

226 16. Benefits paid pursuant to the provisions of the public school retirement system of
227 Missouri shall not exceed the limitations of Section 415 of Title 26 of the United States Code.

228 17. Notwithstanding any other provision of law to the contrary, any person retired before,
229 on, or after May 26, 1994, shall be made, constituted, appointed and employed by the board as
230 a special consultant on the matters of education, retirement and aging, and upon request shall
231 give written or oral opinions to the board in response to such requests. As compensation for such
232 duties the person shall receive an amount based on the person's years of service so that the total
233 amount received pursuant to sections 169.010 to 169.141 shall be at least the minimum amounts
234 specified in subdivisions (1) to (4) of this subsection. In determining the minimum amount to
235 be received, the amounts in subdivisions (3) and (4) of this subsection shall be adjusted in
236 accordance with the actuarial adjustment, if any, that was applied to the person's retirement
237 allowance. In determining the minimum amount to be received, beginning September 1, 1996,
238 the amounts in subdivisions (1) and (2) of this subsection shall be adjusted in accordance with
239 the actuarial adjustment, if any, that was applied to the person's retirement allowance due to
240 election of an optional form of retirement having a continued monthly payment after the person's
241 death. Notwithstanding any other provision of law to the contrary, no person retired before, on,
242 or after May 26, 1994, and no beneficiary of such a person, shall receive a retirement benefit
243 pursuant to sections 169.010 to 169.141 based on the person's years of service less than the
244 following amounts:

- 245 (1) Thirty or more years of service, one thousand two hundred dollars;
246 (2) At least twenty-five years but less than thirty years, one thousand dollars;
247 (3) At least twenty years but less than twenty-five years, eight hundred dollars;
248 (4) At least fifteen years but less than twenty years, six hundred dollars.

249 18. Notwithstanding any other provisions of law to the contrary, any person retired prior
250 to May 26, 1994, and any designated beneficiary of such a retired member who was deceased
251 prior to July 1, 1999, shall be made, constituted, appointed and employed by the board as a
252 special consultant on the matters of education, retirement or aging and upon request shall give
253 written or oral opinions to the board in response to such requests. Beginning September 1, 1996,
254 as compensation for such service, the member shall have added, pursuant to this subsection, to
255 the member's monthly annuity as provided by this section a dollar amount equal to the lesser of
256 sixty dollars or the product of two dollars multiplied by the member's number of years of
257 creditable service. Beginning September 1, 1999, the designated beneficiary of the deceased
258 member shall as compensation for such service have added, pursuant to this subsection, to the
259 monthly annuity as provided by this section a dollar amount equal to the lesser of sixty dollars

260 or the product of two dollars multiplied by the member's number of years of creditable service.
261 The total compensation provided by this section including the compensation provided by this
262 subsection shall be used in calculating any future cost-of-living adjustments provided by
263 subsection 12 of this section.

264 19. Any member who has retired prior to July 1, 1998, and the designated beneficiary
265 of a deceased retired member shall be made, constituted, appointed and employed by the board
266 as a special consultant on the matters of education, retirement and aging, and upon request shall
267 give written or oral opinions to the board in response to such requests. As compensation for such
268 duties the person shall receive a payment equivalent to eight and seven-tenths percent of the
269 previous month's benefit, which shall be added to the member's or beneficiary's monthly annuity
270 and which shall not be subject to the provisions of subsections 12 and 13 of this section for the
271 purposes of the limit on the total amount of increases which may be received.

272 20. Any member who has retired shall be made, constituted, appointed and employed
273 by the board as a special consultant on the matters of education, retirement and aging, and upon
274 request shall give written or oral opinions to the board in response to such request. As
275 compensation for such duties, the person shall receive as a part of compensation for these duties
276 a death benefit of five thousand dollars.

277 21. Any member who has retired prior to July 1, 1999, and the designated beneficiary
278 of a retired member who was deceased prior to July 1, 1999, shall be made, constituted,
279 appointed and employed by the board as a special consultant on the matters of education,
280 retirement and aging, and upon request shall give written or oral opinions to the board in
281 response to such requests.

282
283 As compensation for such duties, the person shall have added, pursuant to this subsection, to the
284 monthly annuity as provided by this section a dollar amount equal to five dollars times the
285 member's number of years of creditable service.

286 22. Any member who has retired prior to July 1, 2000, and the designated beneficiary
287 of a deceased retired member shall be made, constituted, appointed and employed by the board
288 as a special consultant on the matters of education, retirement and aging, and upon request shall
289 give written or oral opinions to the board in response to such requests. As compensation for such
290 duties, the person shall receive a payment equivalent to three and five-tenths percent of the
291 previous month's benefit, which shall be added to the member or beneficiary's monthly annuity
292 and which shall not be subject to the provisions of subsections 12 and 13 of this section for the
293 purposes of the limit on the total amount of increases which may be received.

294 **23. Any member who has retired prior to July 1, 2001, and the designated**
295 **beneficiary of a deceased retired member shall be made, constituted, appointed and**

296 employed by the board as a special consultant on the matters of education, retirement and
297 aging, and upon request shall give written or oral opinions to the board in response to such
298 requests. As compensation for such duties, the person shall receive a dollar amount equal
299 to three dollars times the member's number of years of creditable service, which shall be
300 added to the member or beneficiary's monthly annuity and which shall not be subject to
301 the provisions of subsections 12 and 13 of this section for the purposes of the limit on the
302 total amount of increases which may be received.

169.075. 1. Certain survivors specified in this section and meeting the requirements of
2 this section may elect to forfeit any payments payable pursuant to subsection 3 or 5 of section
3 169.070 and to receive certain other benefits described in this section upon the death of a
4 member prior to retirement, except retirement with disability benefits, whose period of creditable
5 service in districts included in the retirement system is two years or more and who dies (a) while
6 teaching in a district included in the retirement system, or (b) as a result of an injury or sickness
7 incurred while teaching in such a district and within one year of the commencement of such
8 injury or sickness, or (c) while eligible for a disability retirement allowance hereunder.

9 2. Upon an election pursuant to subsection 1 of this section, a surviving spouse sixty
10 years of age, or upon attainment of age sixty, or a surviving spouse who has been totally and
11 permanently disabled for not less than five years immediately preceding the death of a member
12 if designated as the sole beneficiary, and if married to the member at least three years, and if
13 living with such member at the time of the member's death, shall be entitled to a monthly
14 payment equal to twenty percent of one-twelfth of the annual salary rate on which the member
15 contributed for the member's last full year of creditable service as a teacher in a district included
16 in the retirement system until death or recovery prior to age sixty from the disability which
17 qualified the spouse for the benefit, whichever first occurs; provided that the monthly payment
18 shall not be less than five hundred seventy-five dollars or more than eight hundred sixty dollars.
19 A surviving spouse, who is eligible for benefits pursuant to this subsection and also pursuant to
20 subsection 3 of this section may receive benefits only pursuant to subsection 3 of this section as
21 long as the surviving spouse remains eligible pursuant to both subsections, but shall not be
22 disqualified for the benefit provided in this subsection because the surviving spouse may have
23 received payments pursuant to subsection 3 of this section. **Beginning August 28, 2001, a**
24 **surviving spouse who otherwise meets the requirements of this subsection but who**
25 **remarried prior to August 28, 1995, shall be entitled, upon an election pursuant to**
26 **subsection 1 of this section, to any remaining benefits that would otherwise have been**
27 **received had the surviving spouse not remarried before the change in law permitting**
28 **remarried surviving spouses to continue receiving benefits. Such surviving spouses may,**
29 **upon application, become special consultants whose benefit will be to receive the remaining**

30 **benefits described in this subsection. In no event shall any retroactive benefits be paid. No**
31 **benefit shall be paid to such surviving spouse unless he or she files a valid application for**
32 **such benefit with the retirement system postmarked on or before June 30, 2002.**

33 3. Upon an election pursuant to subsection 1 of this section, a surviving spouse, if
34 designated as the sole beneficiary, who has in the surviving spouse's care a dependent unmarried
35 child, including a stepchild or adopted child, of the deceased member, under eighteen years of
36 age, shall be entitled to a monthly payment equal to twenty percent of one-twelfth of the annual
37 salary rate on which the member contributed for the member's last full year of creditable service
38 as a teacher in a district included in the retirement system until the surviving spouse's death, or
39 the first date when no such dependent unmarried child under age eighteen, or age twenty-four
40 if the child is enrolled in school on a full-time basis, remains in the surviving spouse's care,
41 whichever first occurs; provided that the monthly payment shall not be less than five hundred
42 seventy-five dollars or more than eight hundred sixty dollars. In addition the surviving spouse
43 shall be entitled to a monthly payment equal to one-half this amount, provided that the monthly
44 payment shall not be less than three hundred dollars, for each such dependent unmarried child
45 under eighteen years of age, or age twenty-four if the child is enrolled in school on a full-time
46 basis, who remains in the surviving spouse's care. Further, in addition to the monthly payment
47 to the surviving spouse as provided for in this subsection, each dependent unmarried child under
48 the age of eighteen years of the deceased member not in the care of such surviving spouse shall
49 be entitled to a monthly payment equal to one-half of the surviving spouse's monthly payment
50 which shall be paid to the child's primary custodial parent or legal guardian; provided that the
51 payment because of an unmarried dependent child shall be made until the child attains age
52 twenty-four if the child is enrolled in school on a full-time basis; provided, however, that the
53 total of all monthly payments to the surviving spouse, primary custodial parent or legal guardian,
54 including payments for such dependent unmarried children, shall in no event exceed two
55 thousand one hundred sixty dollars, the amount of the children's share to be allocated equally as
56 to each dependent unmarried child eligible to receive payments pursuant to this subsection.

57 4. Upon an election pursuant to subsection 1 of this section if the designated beneficiary
58 is a dependent unmarried child as defined in this section or automatically upon the death of a
59 surviving spouse receiving benefits pursuant to subsection 3 of this section, each surviving
60 dependent unmarried child, including a stepchild or adopted child, of the deceased member,
61 under eighteen years of age, or such a child under age twenty-four if the child is enrolled in
62 school on a full-time basis, shall be entitled to a monthly payment equal to sixteen and two-thirds
63 percent of one-twelfth of the annual salary rate on which the member contributed for the
64 member's last full year of creditable service as a teacher in a district included in the retirement
65 system until death, marriage, adoption, or attainment of age eighteen or age twenty-four if

66 enrolled in school on a full-time basis, whichever first occurs; provided that the monthly
67 payment shall not be less than five hundred dollars or more than seven hundred twenty dollars,
68 and provided further that any child of the deceased member who is disabled before attainment
69 of age eighteen because of a physical or mental impairment which renders the child unable to
70 engage in any substantial gainful activity and which disability continues after the child has
71 attained age eighteen shall be entitled to a like monthly payment, until death, marriage, adoption,
72 or recovery from the disability, whichever first occurs; provided, however, that the total of all
73 monthly payments to the surviving dependent unmarried children shall in no event exceed two
74 thousand one hundred sixty dollars.

75 5. Upon an election pursuant to subsection 1 of this section, a surviving dependent parent
76 of the deceased member, over sixty-five years of age or upon attainment of age sixty-five if
77 designated as the sole beneficiary, provided such dependent parent was receiving at least one-half
78 of the parent's support from such member at the time of the member's death and provided the
79 parent files proof of such support within two years of such death, shall be entitled to a monthly
80 payment equal to sixteen and two-thirds percent of one-twelfth of the annual salary rate on which
81 the member contributed for the member's last full year as a teacher in a district included in the
82 retirement system until death; provided that the monthly payment shall not be less than five
83 hundred dollars or more than seven hundred twenty dollars. If the other parent also is a
84 dependent, as defined in this section, the same amount shall be paid to each until death.

85 6. All else in this section to the contrary notwithstanding, a survivor may not be eligible
86 to benefit pursuant to this section because of more than one terminated membership, and be it
87 further provided that the board of trustees shall determine and decide all questions of doubt as
88 to what constitutes dependency within the meaning of this section.

89 7. The provisions added to subsection 3 of this section in 1991 are intended to clarify the
90 scope and meaning of this section as originally enacted and shall be applied in all cases in which
91 such an election has occurred or will occur.

92 8. After July 1, 2000, all benefits payable pursuant to subsections 1 to 7 of this section
93 shall be payable to eligible current and future survivor beneficiaries in accordance with this
94 section.

95 9. The system shall pay a monthly retirement allowance for the month in which a retired
96 member, beneficiary or survivor receiving a retirement allowance or survivor benefit dies.

169.270. Unless a different meaning is clearly required by the context, the following
2 words and phrases as used in sections 169.270 to 169.400 shall have the following meanings:

3 (1) "Accumulated contributions", the sum of all amounts deducted from the
4 compensation of a member or paid on behalf of the member by the employer and credited to the
5 member's individual account together with interest thereon in the employees' contribution fund.

6 The board of trustees shall determine the rate of interest allowed thereon as provided for in
7 section 169.295;

8 (2) "Actuarial equivalent", a benefit of equal value when computed upon the basis of
9 formulas and/or tables which have been approved by the board of trustees;

10 (3) "Average final compensation", the highest average annual compensation received for
11 any four consecutive years of service. In determining whether years of service are "consecutive",
12 only periods for which creditable service is earned shall be considered, and all other periods shall
13 be disregarded;

14 (4) "Beneficiary", any person designated by a member for a retirement allowance or other
15 benefit as provided by sections 169.270 to 169.400;

16 (5) "Board of education", the board of directors or corresponding board, by whatever
17 name, having charge of the public schools of the school district in which the retirement system
18 is established;

19 (6) "Board of trustees", the board provided for in section 169.291 to administer the
20 retirement system;

21 (7) "Break in service", an occurrence when a regular employee ceases to be a regular
22 employee for any reason (including termination of employment, resignation, retirement or
23 furlough but not including vacation, sick leave, excused absence or leave of absence granted by
24 an employer) and such person does not again become a regular employee until after fifteen
25 consecutive school or work days have elapsed. A "school or work day" is a day on which the
26 employee's employer requires (or if the position no longer exists, would require, based on past
27 practice) employees having the former employee's last job description to report to their place of
28 employment for any reason;

29 (8) **"Charter school", any charter school established pursuant to section 160.400**
30 **to 160.420, RSMo, and located, at the time it is established, within the school district;**

31 (9) "Compensation", the regular compensation as shown on the salary and wage
32 schedules of the employer plus any amounts paid by the employer on a member's behalf pursuant
33 to subdivision (5) of subsection 1 of section 169.350, but such term is not to include extra pay,
34 overtime pay, consideration for entering into early retirement, or any other payments not included
35 on salary and wage schedules. For any year beginning after December 31, 1988, the annual
36 compensation of each member taken into account under the retirement system shall not exceed
37 the limitation set forth in Section 401(a)(17) of the Internal Revenue Code of 1986, as amended;

38 [(9)] (10) "Creditable service", the amount of time that a regular employee is a member
39 of the retirement system and makes contributions thereto in accordance with the provisions of
40 sections 169.270 to 169.400;

41 (11) **"Employee", any person who is classified by the school district, a charter**

42 school, the library district or the retirement system established by section 169.280 as an
43 employee of such employer and is reported contemporaneously for federal and state tax
44 purposes as an employee of such employer. A person is not considered to be an employee
45 for purposes of such retirement system with respect to any service for which the person
46 was not reported contemporaneously for federal and state tax purposes as an employee of
47 such employer, regardless of whether the person is or may later be determined to be or to
48 have been a common law employee of such employer, including but not limited to persons
49 classified by the employer as independent contractors and persons employed by other
50 entities which contract to provide staff and services to the employer. In no event shall a
51 person reported for federal tax purposes as an employee of a private, for-profit entity be
52 deemed to be an employee eligible to participate in the retirement system established by
53 section 169.280 with respect to such employment;

54 [(10)] (12) "Employer", the school district, **any charter school**, the library district, or
55 the retirement system established by section 169.280, or any combination thereof, as required
56 by the context to identify the [common law] employer of any member, or, for purposes only of
57 subsection 2 of section 169.324, of any retirant;

58 [(11)] (13) "Employer's board", the board of education, **the governing board of any**
59 **charter school**, the board of trustees of the library district, the board of trustees, or any
60 combination thereof, as required by the context to identify the governing body of an employer;

61 [(12)] (14) "Library district", any urban public library district created from or within a
62 school district under the provisions of section 182.703, RSMo;

63 [(13)] (15) "Medical board", the board of physicians provided for in section 169.291;

64 [(14)] (16) "Member", any person who is a regular employee after the retirement system
65 has been established hereunder ("active member"), and any person who (i) was an active
66 member, (ii) has vested retirement benefits hereunder, and (iii) is not receiving a retirement
67 allowance hereunder ("inactive member");

68 [(15)] (17) "Minimum normal retirement age", the earlier of the member attaining the
69 age of sixty or has a total of at least seventy-five credits, with each year of creditable service, and
70 prorated for fractional years, equal to one credit and each year of age, and prorated for fractional
71 years, equal to one credit;

72 [(16)] (18) "Prior service", service prior to the date the system becomes operative which
73 is creditable in accordance with the provisions of section 169.311. Prior service in excess of
74 thirty-eight years shall be considered thirty-eight years;

75 [(17)] (19) "Regular employee", any [person employed by the school district, the library
76 district, or the retirement system] **employee** who is assigned to an established position which
77 requires [a] service of not less than five hours per day, five days per week, and not less than nine

78 calendar months a year. Any regular employee who is subsequently assigned without break in
79 service to a position demanding less service than is required of a regular employee shall continue
80 the employee's status as a regular employee. However, a temporary, part-time or furloughed
81 employee is not a regular employee;

82 [(18)] (20) "Retirant", a former member receiving a retirement allowance hereunder;

83 [(19)] (21) "Retirement allowance", annuity payments to a retirant or to such beneficiary
84 as is entitled to same;

85 [(20)] (22) "School district", any school district in which a retirement system shall be
86 established under section 169.280.

169.280. 1. In each school district of this state (i) that now has or may hereafter have
2 a population of not more than seven hundred thousand and (ii) not less than seventy percent of
3 whose population resides in a city other than a city not within a county which now has or may
4 hereafter have a population of four hundred thousand or more, according to the latest United
5 States decennial census, there is hereby created and established a retirement system for the
6 purpose of providing retirement allowances and related benefits for employees of the employer.
7 Each such system shall be under the management of a board of trustees herein described, and
8 shall be known as "The Public School Retirement System of (name of school district)", and by
9 such name all of its business shall be transacted, all of its funds invested, and all of its cash and
10 securities and other property held. When a school district first satisfies the foregoing population
11 conditions, the board of education shall adopt a resolution certifying the same and take all actions
12 necessary to cause the retirement system to begin operation on the thirtieth day of September
13 following such certification.

14 2. In the event that (i) the population of a school district having a retirement system
15 created hereunder should increase to a number greater than seven hundred thousand, or (ii) the
16 population of the city in which not less than seventy percent of the population of the school
17 district resides should decrease to a number less than four hundred thousand, or (iii) less than
18 seventy percent of the population of the school district should reside in a city having a population
19 of at least four hundred thousand, **or (iv) the corporate organization of the school district**
20 **shall lapse in accordance with subsections 1 and 4 of section 162.081, RSMo**, the retirement
21 system of such school district shall continue to be governed by and subject to sections 169.270
22 to 169.400 and all other statutes, rules, and regulations applicable to retirement systems in school
23 districts having a population of not more than seven hundred thousand and not less than seventy
24 percent of whose population resides in a city, other than a city not within a county, of four
25 hundred thousand or more, as if the population of such school district and city continued to be
26 within such numerical limits.

169.291. 1. The general administration and the responsibility for the proper operation

2 of the retirement system are hereby vested in a board of trustees of twelve persons who shall be
3 resident taxpayers of the school district, as follows:

4 (1) Four trustees to be appointed for terms of four years by the board of education;
5 provided, however, that the terms of office of the first four trustees so appointed shall begin
6 immediately upon their appointment and shall expire one, two, three and four years from the date
7 the retirement system becomes operative, respectively;

8 (2) Four trustees to be elected for terms of four years by and from the members of the
9 retirement system; provided, however, that the terms of office of the first four trustees so elected
10 shall begin immediately upon their election and shall expire one, two, three and four years from
11 the date the retirement system becomes operative, respectively;

12 (3) The ninth trustee shall be the superintendent of schools of the school district;

13 (4) The tenth trustee shall be one retirant of the retirement system elected for a term of
14 four years beginning the first day of January immediately following August 13, 1986, by the
15 retirants of the retirement system;

16 (5) The eleventh trustee shall be appointed for a term of four years beginning the first
17 day of January immediately following August 13, 1990, by the board of trustees described in
18 subdivision (3) of section 182.701, RSMo;

19 (6) The twelfth trustee shall be a retirant of the retirement system elected for a term of
20 four years beginning the first day of January immediately following August 28, 1992, by the
21 retirants of the retirement system.

22 2. If a vacancy occurs in the office of a trustee, the vacancy shall be filled for the
23 unexpired term in the same manner as the office was previously filled, except that the board of
24 trustees may appoint a qualified person to fill the vacancy in the office of an elected member
25 until the next regular election at which time a member shall be elected for the unexpired term.
26 **No vacancy or vacancies on the board of trustees shall impair the power of the remaining**
27 **trustees to administer the retirement system pending the filling of such vacancy or**
28 **vacancies.**

29 **3. In the event of a lapse of the school district's corporate organization as described**
30 **in subsections 1 and 4 of section 162.081, RSMo, the general administration and**
31 **responsibility for the proper operation of the retirement system shall continue to be vested**
32 **in a twelve-person board of trustees, all of whom shall be resident taxpayers of a city, other**
33 **than a city not within a county, of four hundred thousand or more. In such event, if**
34 **vacancies occur in the offices of the four trustees appointed, prior to the lapse, by the board**
35 **of education, or in the offices of the four trustees elected, prior to the lapse, by the members**
36 **of the retirement system, or in the office of trustee held, prior to the lapse, by the**
37 **superintendent of schools in the school district, as provided in subdivisions (1), (2) and (3)**

38 **of subsection 1 of this section, the board of trustees shall appoint a qualified person to fill**
39 **each such vacancy and subsequent vacancies in the office of trustee for terms of up to four**
40 **years, as determined by the board of trustees.**

41 [3.] **4.** Each trustee shall, before assuming the duties of a trustee, take the oath of office
42 before the court of the judicial circuit or one of the courts of the judicial circuit in which the
43 school district is located that so far as it devolves upon the trustee, such trustee shall diligently
44 and honestly administer the affairs of the board of trustees and that the trustee will not knowingly
45 violate or willingly permit to be violated any of the provisions of the law applicable to the
46 retirement system. Such oath shall be subscribed to by the trustee making it and filed in the
47 office of the clerk of the circuit court.

48 [4.] **5.** Each trustee shall be entitled to one vote in the board of trustees. Seven trustees
49 shall constitute a quorum at any meeting of the board of trustees. At any meeting of the board
50 of trustees where a quorum is present, the vote of at least seven of the trustees in support of a
51 motion, resolution or other matter is necessary to be the decision of the board; **provided,**
52 **however, that in the event of a lapse in the school district's corporate organization as**
53 **described in subsections 1 and 4 of section 162.081, RSMo, a majority of the trustees then**
54 **in office shall constitute a quorum at any meeting of the board of trustees, and the vote of**
55 **a majority of the trustees then in office in support of a motion, resolution or other matter**
56 **shall be necessary to be the decision of the board.**

57 [5.] **6.** The board of trustees shall have exclusive original jurisdiction in all matters
58 relating to or affecting the funds herein provided for, including, in addition to all other matters,
59 all claims for benefits or refunds, and its action, decision or determination in any matter shall be
60 reviewable in accordance with chapter 536, RSMo, or chapter 621, RSMo. Subject to the
61 limitations of sections 169.270 to 169.400, the board of trustees shall, from time to time,
62 establish rules and regulations for the administration of funds of the retirement system, for the
63 transaction of its business, and for the limitation of the time within which claims may be filed.

64 [6.] **7.** The trustees shall serve without compensation. The board of trustees shall elect
65 from its membership a chairman and a vice chairman. The board of trustees shall appoint an
66 executive director who shall serve as the administrative officer of the retirement system and as
67 secretary to the board of trustees. It shall employ one or more persons, firms or corporations
68 experienced in the investment of moneys to serve as investment counsel to the board of trustees.
69 The compensation of all persons engaged by the board of trustees and all other expenses of the
70 board necessary for the operation of the retirement system shall be paid at such rates and in such
71 amounts as the board of trustees shall approve, and shall be paid from the investment income.

72 [7.] **8.** The board of trustees shall keep in convenient form such data as shall be
73 necessary for actuarial valuations of the various funds of the retirement system and for checking

74 the experience of the system.

75 [8.] **9.** The board of trustees shall keep a record of all its proceedings which shall be open
76 to public inspection. It shall prepare annually and furnish to the board of education and to each
77 member of the retirement system who so requests a report showing the fiscal transactions of the
78 retirement system for the preceding fiscal year, the amount of accumulated cash and securities
79 of the system, and the last balance sheet showing the financial condition of the system by means
80 of an actuarial valuation of the assets and liabilities of the retirement system.

81 [9.] **10.** The board of trustees shall have, in its own name, power to sue and to be sued,
82 to enter into contracts, to own property, real and personal, and to convey the same; but the
83 members of such board of trustees shall not be personally liable for obligations or liabilities of
84 the board of trustees or of the retirement system.

85 [10.] **11.** The board of trustees shall arrange for necessary legal advice for the operation
86 of the retirement system.

87 [11.] **12.** The board of trustees shall designate a medical board to be composed of three
88 physicians who shall not be eligible for membership in the system and who shall pass upon all
89 medical examinations required under the provisions of sections 169.270 to 169.400, shall
90 investigate all essential statements and certificates made by or on behalf of a member in
91 connection with an application for disability retirement and shall report in writing to the board
92 of trustees its conclusions and recommendations upon all matters referred to it.

93 [12.] **13.** The board of trustees shall designate an actuary who shall be the technical
94 advisor of the board of trustees on matters regarding the operation of the retirement system and
95 shall perform such other duties as are required in connection therewith. Such person shall be
96 qualified as an actuary by membership as a Fellow of the Society of Actuaries or by similar
97 objective standards.

98 [13.] **14.** At least once in each five-year period the actuary shall make an investigation
99 into the actuarial experience of the members, retirants and beneficiaries of the retirement system
100 and, taking into account the results of such investigation, the board of trustees shall adopt for the
101 retirement system such actuarial assumptions as the board of trustees deems necessary for the
102 financial soundness of the retirement system.

103 [14.] **15.** On the basis of such actuarial assumptions as the board of trustees adopts, the
104 actuary shall make annual valuations of the assets and liabilities of the funds of the retirement
105 system.

106 [15.] **16.** The rate of contribution payable by the employer shall equal one and
107 ninety-nine one-hundredths percent, effective July 1, 1993; three and ninety-nine one-hundredths
108 percent, effective July 1, 1995; five and ninety-nine one-hundredths percent, effective July 1,
109 1996; seven and one-half percent effective January 1, 1999, and for all subsequent years.

110 **17. In the event of a lapse of a school district's corporate organization as described**
111 **in subsections 1 and 4 of section 162.081, RSMo, no retirement system, nor any of the assets**
112 **of any retirement system, shall be transferred to or merged with another retirement system**
113 **without prior approval of such transfer or merger by the board of trustees of the**
114 **retirement system.**

169.301. 1. Any active member who has completed five or more years of actual (not
2 purchased) creditable service shall be entitled to a vested retirement benefit equal to the annual
3 service retirement allowance provided in sections 169.270 to 169.400 payable after attaining the
4 minimum normal retirement age and calculated in accordance with the law in effect on the last
5 date such person was a regular employee; provided, that such member does not withdraw such
6 person's accumulated contributions pursuant to section 169.328 prior to attaining the minimum
7 normal retirement age.

8 2. Any member who elected on October 13, 1961, or within thirty days thereafter, to
9 continue to contribute and to receive benefits under sections 169.270 to 169.400 may continue
10 to be a member of the retirement system under the terms and conditions of the plan in effect
11 immediately prior to October 13, 1961, or may, upon written request to the board of trustees,
12 transfer to the present plan, provided that the member pays into the system any additional
13 contributions with interest the member would have credited to the member's account if such
14 person had been a member of the current plan since its inception or, if the person's contributions
15 and interest are in excess of what the person would have paid, such person will receive a refund
16 of such excess. The board of trustees shall adopt appropriate rules and regulations governing the
17 operation of the plan in effect immediately prior to October 13, 1961.

18 3. Should a retirant again become an active member, such person's retirement allowance
19 payments shall cease during such membership and shall be recalculated upon subsequent
20 retirement to include any creditable service earned during the person's latest period of active
21 membership **in accordance with subsection 2 of section 169.324.**

169.315. 1. The board of trustees shall adopt rules and regulations which shall permit
2 members to purchase creditable service under the circumstances provided for in this section.
3 Such rules and regulations shall specify, for each such designated circumstance:

4 (1) The manner in which the employee contributions required to purchase such service
5 shall be calculated;

6 (2) The manner in which any employer contributions required for such service shall be
7 calculated;

8 (3) The maximum amount of service that may be purchased, if any;

9 (4) The time by which the election to purchase service shall be made and the period over
10 which such contributions shall be paid; and

11 (5) Any other requirements the member must satisfy in order to be eligible to purchase
12 service in such circumstance.

13

14 All such rules and regulations shall be applied on a uniform and nondiscriminatory basis so that
15 all members are treated similarly under similar circumstances.

16 2. Any active member who ceased to be a regular employee and received a refund of
17 contributions and interest attributable to a prior period of service with [the district in which the
18 retirement system is established] **any employer** may, after reemployment as a regular employee
19 and prior to retirement, elect to reinstate any creditable service the member forfeited by
20 purchasing such service in accordance with the rules and regulations adopted by the board of
21 trustees.

22 3. Any active member who has rendered service in a public school district or public
23 library within the state of Missouri but outside of the district in which the retirement system is
24 established, or in a college, junior college or university within the state of Missouri may elect to
25 purchase and receive credit for such service in accordance with the rules and regulations adopted
26 by the board of trustees.

27 4. Any active member who has rendered service in a public school district, public library,
28 college, junior college or university outside the state of Missouri may elect to purchase and
29 receive credit for such service in accordance with the rules and regulations adopted by the board
30 of trustees; provided that, such member shall pay to the retirement system, in addition to all
31 required employee contributions, the required amount of employer contributions, plus interest,
32 for each year of creditable service being purchased.

33 5. Any active member who was, prior to becoming a member, employed by a private
34 school, college or university on a full-time basis and duly certified under the law governing the
35 certification of teachers during all of such employment may elect to purchase and receive credit
36 for such private school service in accordance with the rules and regulations adopted by the board
37 of trustees; provided that, such member shall pay to the retirement system, in addition to all
38 required employee contributions, the required amount of employer contributions, plus interest,
39 for each year of creditable service being purchased. As used in this section, the term "private
40 school" means a school which is not a part of the public school system of the state of Missouri
41 and which charges tuition for the rendering of elementary, secondary educational or
42 post-secondary educational services.

43 6. Any active member who, voluntarily or involuntarily, enters service in the armed
44 forces of the United States or other national defense service may, after reemployment and prior
45 to retirement, elect to purchase and receive credit for such military service in accordance with
46 the rules and regulations adopted by the board of trustees and with the laws governing the

47 reemployment rights of veterans.

48 7. Any active member who is granted a period of approved, unpaid leave of absence by
49 the employer's board for academic study at a college, junior college, university or otherwise,
50 illness or such other circumstances as may be authorized by the board of trustees, may elect to
51 purchase and receive creditable service for such period of leave in accordance with the rules and
52 regulations adopted by the board of trustees.

169.324. 1. The annual service retirement allowance payable pursuant to section
2 169.320 in equal monthly installments for life shall be the retirant's number of years of creditable
3 service multiplied by one and three-fourths percent of the person's average final compensation,
4 subject to a maximum of sixty percent of the person's average final compensation. For any
5 member [retiring] **who retires as an active member** on or after June 30, 1999, the annual
6 service retirement allowance payable pursuant to section 169.320 in equal monthly installments
7 for life shall be the retirant's number of years of creditable service multiplied by two percent of
8 the person's average final compensation, subject to a maximum of sixty percent of the person's
9 average final compensation. Any member whose number of years of creditable service is greater
10 than thirty-four and one-quarter on August 28, 1993, [that provides for the foregoing formula for
11 determining the annual service retirement allowance] shall receive an annual service retirement
12 allowance payable pursuant to section 169.320 in equal monthly installments for life equal to the
13 retirant's number of years of creditable service as of August 28, 1993, multiplied by one and
14 three-fourths percent of the person's average final compensation but shall not receive a greater
15 annual service retirement allowance based on additional years of creditable service after August
16 28, 1993[, that provides for the foregoing formula for determining the annual service retirement
17 allowance]. Provided, however, that, effective January 1, 1996, any retiree who retired on,
18 before or after January 1, 1996, with at least twenty years of creditable service shall receive at
19 least three hundred dollars each month as a retirement allowance, or the actuarial equivalent
20 thereof if the retiree elected any of the options available under section 169.326. Provided,
21 further, any retiree who retired with at least ten years of creditable service shall receive at least
22 one hundred fifty dollars each month as a retirement allowance, plus fifteen dollars for each
23 additional full year of creditable service greater than ten years but less than twenty years (or the
24 actuarial equivalent thereof if the retiree elected any of the options available under section
25 169.326). Any beneficiary of a deceased retiree who retired with at least ten years of creditable
26 service and elected one of the options available under section 169.326 shall also be entitled to
27 the actuarial equivalent of the minimum benefit provided by this subsection, determined from
28 the option chosen.

29 2. Except as otherwise provided in sections 169.580 and 169.585, [a retirant may not
30 receive a retirement allowance payment in] **payment of a retirant's retirement allowance will**

31 **be suspended for** any month for which such person receives remuneration from the person's
32 employer **or from any other employer in the retirement system established by section**
33 **169.280** for the performance of services except such person may serve as a nonregular substitute,
34 part-time or temporary employee for [not to exceed five] **no more than six** hundred [thirty]
35 hours in any school year without becoming a member and without having the person's retirement
36 allowance discontinued. **If a retirant is reemployed by any employer in any capacity,**
37 **whether pursuant to this section, section 169.580 or section 169.585 or as a regular**
38 **employee, the amount of such person's retirement allowance attributable to service prior**
39 **to the person's first retirement date shall not be changed by the reemployment. If the**
40 **person again becomes an active member and earns additional creditable service, upon the**
41 **person's second retirement the person's retirement allowance shall be the sum of:**

42 (1) **The retirement allowance the person was receiving at the time the person's**
43 **retirement allowance was suspended, pursuant to the payment option elected as of the first**
44 **retirement date, plus the amount of any increase in such retirement allowance the person**
45 **would have received pursuant to subsection 3 of section 169.324 had payments not been**
46 **suspended during the person's reemployment; and**

47 (2) **An additional retirement allowance computed using the benefit formula in effect**
48 **on the person's second retirement date, the person's creditable service following**
49 **reemployment, and the person's average annual compensation as of the second retirement**
50 **date.**

51
52 **The sum calculated pursuant to this subsection shall not exceed the greater of sixty percent**
53 **of the person's average final compensation as of the second retirement date or the amount**
54 **determined pursuant to subdivision (1) of this subsection. Compensation earned prior to**
55 **the person's first retirement date shall be considered in determining the person's average**
56 **final compensation as of the second retirement date if such compensation would otherwise**
57 **be included in determining the person's average final compensation.**

58 3. The board of trustees shall determine annually whether the investment return on funds
59 of the system can provide for an increase in benefits for retirants eligible for such increase. A
60 retirant shall and will be eligible for an increase awarded pursuant to this section as of the
61 [fourth] **second** January following the date the retirant commenced receiving retirement benefits.
62 Any such increase shall also apply to any monthly joint and survivor retirement allowance
63 payable to such retirant's beneficiaries, regardless of age. The board shall make such
64 determination as follows:

65 (1) After determination by the actuary of the investment return for the preceding year as
66 of December thirty-first (the "valuation year"), the actuary shall recommend to the board of

67 trustees what portion of the investment return is available to provide such benefits increase, if
68 any, and shall recommend the amount of such benefits increase, if any, to be implemented as of
69 the first day of the thirteenth month following the end of the valuation year, and the first payable
70 on or about the first day of the fourteenth month following the end of the valuation year. The
71 actuary shall make such recommendations so as not to affect the financial soundness of the
72 retirement system, recognizing the following safeguards:

73 (a) The retirement system's funded ratio as of January first of the year preceding the year
74 of a proposed increase shall be at least one hundred percent after adjusting for the effect of the
75 proposed increase. The funded ratio is the ratio of assets to the pension benefit obligation;

76 (b) The actuarially required contribution rate, after adjusting for the effect of the
77 proposed increase, may not exceed the statutory contribution rate;

78 (c) The actuary shall certify to the board of trustees that the proposed increase will not
79 impair the actuarial soundness of the retirement system;

80 (d) A benefit increase, under this section, once awarded, cannot be reduced in succeeding
81 years;

82 (2) The board of trustees shall review the actuary's recommendation and report and shall,
83 in their discretion, determine if any increase is prudent and, if so, shall determine the amount of
84 increase to be awarded.

85 4. This section does not guarantee an annual increase to any retirant.

86 5. **If an inactive member becomes an active member after June 30, 2001, and after**
87 **a break in service, unless the person earns at least four additional years of creditable**
88 **service without another break in service, upon retirement the person's retirement**
89 **allowance shall be calculated separately for each separate period of service ending in a**
90 **break in service. The retirement allowance shall be the sum of the separate retirement**
91 **allowances computed for each such period of service using the benefit formula in effect, the**
92 **person's average final compensation as of the last day of such period of service and the**
93 **creditable service the person earned during such period of service; provided, however, if**
94 **the person earns at least four additional years of creditable service without another break**
95 **in service, all of the person's creditable service prior to and including such service shall be**
96 **aggregated and, upon retirement, the retirement allowance shall be computed using the**
97 **benefit formula in effect and the person's average final compensation as of the last day of**
98 **such period of four or more years and all of the creditable service the person earned prior**
99 **to and during such period.**

100 6. Notwithstanding anything contained in this section to the contrary, the amount of the
101 annual service retirement allowance payable to any retirant pursuant to the provisions of sections
102 169.270 to 169.400, including any adjustments made pursuant to subsection 3 of this section,

103 shall at all times comply with the provisions and limitations of Section 415 of the Internal
104 Revenue Code of 1986, as amended, and the regulations thereunder, the terms of which are
105 specifically incorporated herein by reference.

106 [6.] 7. All retirement systems established by the laws of the state of Missouri shall
107 develop a procurement action plan for utilization of minority and women money managers,
108 brokers and investment counselors. Such retirement systems shall report their progress annually
109 to the joint committee on public employee retirement and the governor's minority advocacy
110 commission.

169.410. The following words and phrases as used in sections 169.410 to 169.540,
2 unless a different meaning is plainly required by the context, shall have the following meanings:

3 (1) "Accumulated contributions", the sum of all amounts deducted from the
4 compensation of a member and credited to the member's individual account together with interest
5 allowed on such an account;

6 (2) "Actuarial equivalent", a benefit of equal value when computed upon the basis of
7 interest and such mortality tables as shall be adopted by the board of trustees;

8 (3) "Average final compensation", the highest average annual compensation of the
9 member received for any three consecutive years of **credited** service of the member's last ten
10 years of **credited** service or if the member has had less than three years of such **credited** service,
11 during the member's entire period of **credited** service;

12 (4) "Beneficiary", any person other than a [retirant] **retired member** receiving a
13 [retirement allowance or] **pension benefit**, optional [retirement allowance] **pension benefit** or
14 other benefit;

15 (5) "Board of education", the board of education or corresponding board having charge
16 of the public schools of the school district other than those public schools which are operated by
17 the board of regents;

18 (6) "Board of regents", the board of regents or corresponding board having charge of a
19 public city teacher training school within the school district which was operated by its board of
20 education prior to September 1, 1978;

21 (7) "Board of trustees", the board which administers the retirement system;

22 (8) "**Charter school**", **any charter school established pursuant to sections 160.400**
23 **to 160.420, RSMo, and located, at the time it is established, within the school district;**

24 [(8)] (9) "Compensation", the regular compensation which a member has earned as an
25 employee during any period, excluding, however, any compensation earned by a person who
26 became a member after December 31, 1995, which is in excess of the limitation set forth in
27 Section 401(a)(17) of the Internal Revenue Code;

28 [(9)] (10) "Consumer price index", the Consumer Price Index for All Urban Consumers

29 for the United States, or its successor index, as approved by the board of trustees, as such index
30 is defined and officially reported by the United States Department of Labor, or its successor
31 agency;

32 [(10) "Creditable"] (11) **"Credited service"**, prior service plus membership service **plus**
33 **service purchased pursuant to applicable Missouri statute;**

34 [(11)] (12) **"Employee"**, any person regularly employed by (a) the board of education,
35 or (b) the board of trustees, or (c) the board of regents who was employed at a public teacher
36 training school within the school district prior to September 1, 1978, and who did not become
37 a member of the Missouri state employees' retirement system pursuant to section 104.342,
38 RSMo, or (d) **a charter school**. In case of doubt as to whether any person is an employee, the
39 decision of the [employing] board **of education, or the board of trustees, or the board of**
40 **regents** shall be final and conclusive;

41 (13) **"Employer"**, the board of education, the board of trustees, the board of
42 **regents or a charter school;**

43 [(12)] (14) **"Medical board"**, the board of physicians;

44 [(13)] (15) **"Member"**, a member of the retirement system defined as an:

45 (a) **"Active member"**, a [member] **person** who is an employee; [or]

46 (b) **"Inactive member"**, a **former active** member who [is not an employee;] **has**
47 **accumulated contributions with the retirement system; or**

48 (c) **"Retired member"**, a **former active member who has retired and is receiving**
49 **benefits;**

50 [(14)] (16) **"Membership service"**, service rendered [since last becoming a member
51 which is creditable] **as an employee for which the employee received compensation**. For the
52 purpose of computing creditable service at retirement, membership service shall include a
53 member's accumulated and unused days of sick leave. The decision of the employing board as
54 to the number of accumulated and unused days of sick leave held by a member shall be final and
55 conclusive;

56 (17) **"Pension benefit" or "pension"**, **monthly payments for life to a retired member**
57 **or to such beneficiary as is entitled to the payments;**

58 [(15)] (18) **"Prior service"**, service prior to the date the system [becomes] **became**
59 **operative which is [creditable] credited;**

60 [(16)] (19) **"Public school"**, any school for elementary, secondary or higher education,
61 open and public, which is supported and maintained from public funds and which is operated by
62 the board of education of the school district [or], by the board of regents, **or as a charter school**
63 **as defined pursuant to sections 160.400 to 160.420, RSMo;**

64 [(17) "Retirant" or] (20) **"Retired member"**, a [former] member receiving a retirement

65 [allowance] **benefit** or [optional retirement allowance or] other benefit;

66 [(18) "Retirement allowance", equal monthly payments for life to a retirant or to such
67 beneficiary as is entitled to the payments;

68 (19)] **(21)** "Retirement system", the public school retirement [school] system of a school
69 district;

70 [(20)] **(22)** "School administrator", an employee whose job classification is included on
71 the school administrators' position schedule of the employing board;

72 [(21)] **(23)** "School district", any **metropolitan** school district [now having or hereafter
73 attaining a population of seven hundred thousand inhabitants or more in which a retirement
74 system shall be established] **as defined pursuant to section 160.011, RSMo;**

75 [(22)] **(24)** "Teacher", any teacher, substitute teacher, supervisor, principal, supervising
76 principal, superintendent or assistant superintendent, who shall teach or be employed on a full-
77 time basis in the public schools of a school district **or charter school**, except those teachers
78 electing to become [a member] **members** of the Missouri state employees' retirement system
79 pursuant to section 104.342, RSMo. In case of doubt as to whether any person is a teacher, the
80 decision of the board of education, or the board of regents with respect to individuals within its
81 charge, shall be final and conclusive.

169.420. In all **metropolitan** school districts of this state [that now have or may
2 hereafter attain a population of seven hundred thousand inhabitants or more], there are hereby
3 created and established retirement systems for the purpose of providing retirement [allowances]
4 **benefits** for employees of said school districts. Each such system shall be a body corporate, and
5 shall be under the management of a board of trustees herein described, and shall be known as
6 "The Public School Retirement System of (name of school district)". Such system shall,
7 by and in such name, sue and be sued, transact all of its business, invest all of its funds and hold
8 all of its cash, securities and other property; provided, however, that such securities and other
9 property may be held on behalf of the retirement system in the name of a nominee in order to
10 facilitate the expeditious transfer of such securities or other property. [The retirement systems
11 so created shall begin operations as of the first day of the second month next following the date
12 upon which this law shall take effect under article III, section 29, of the Constitution of the state
13 of Missouri or on the first day of the second month next following the date when the school
14 districts shall have thereafter attained a population of seven hundred thousand inhabitants or
15 more.]

169.430. [1.] All persons who shall hereafter become employees, shall become members
2 as a condition of their employment and shall receive no pension or retirement [allowance]
3 **benefit** from any pension or retirement system other than the retirement system established
4 [under] **pursuant to** sections 169.410 to 169.540 because of **credited** years of service in the

5 school district, nor shall they be required to make contributions under any other pension or
6 retirement system of any school district or state because of such years, except that this section
7 does not prohibit the extension of the benefits and liabilities of Title II of the Social Security Act
8 of the United States (42 U.S.C.A. Section 401 et seq.) to the employees of the school district for
9 the purpose of supplementing the benefits provided by this law, through agreement by the district
10 and the state pursuant to sections 105.300 to 105.440, RSMo.

11 [2. Any employee in service on the date the retirement system becomes operative shall
12 become a member as of that date unless prior thereto he shall file with the board of trustees on
13 a form prescribed by the board of trustees a notice of his election not to become a member of
14 the retirement system and a duly executed waiver of all present and prospective benefits which
15 would otherwise inure to him on account of his participation in the retirement system.

16 3. Should any member with less than five years of creditable service not be an employee
17 for more than four consecutive years or should any member withdraw his accumulated
18 contributions, or should any member become a retirant or die, he shall thereupon cease to be a
19 member.]

169.440. 1. [The board of trustees shall fix and determine by proper rules and
2 regulations how much service in any year is equivalent to one year of service, but in no case shall
3 more than one year of service be creditable for all service in one calendar year. Notwithstanding
4 any other provisions of this subsection,] **In no case shall more than one year of service be**
5 **credited for all service in one calendar year.**

6 2. The board of trustees shall include an employee's accumulated and unused days of sick
7 leave, if any, in computing the employee's [creditable] **credited** service upon the employee's
8 retirement.

9 [2. Under such rules and regulations as the board of trustees shall adopt, each employee
10 who was employed by the school district on and prior to the date this retirement system becomes
11 operative and who becomes a member within one year from such date, shall file a detailed
12 statement of all service as such employee rendered by the member to the school district prior to
13 that date and prior to the member's attainment of age sixty-five, for which the member claims
14 credit; provided, however, that teachers may, in addition, claim credit in such statement for not
15 more than ten years of service rendered in public schools outside the school district. Any
16 member with service prior to January 1, 1944, who became a member after January 1, 1945, may
17 file claim for prior service up to a maximum of twelve years provided the member has a
18 minimum of five continuous years of membership service and a total membership service of not
19 less than the years of prior service being claimed.

20 3. Subject to the above restrictions and to such other rules and regulations as the board
21 of trustees may adopt, the board of trustees shall verify the service claims as soon as practicable

22 after the filing of such statements of service.

23 4. Upon verification of the statements of service, the board of trustees shall issue prior
24 service certificates, certifying to each member the length of prior service with which the member
25 is credited on the basis of the member's statement of service. So long as the holder of such a
26 certificate continues to be a member, a prior service certificate shall be final and conclusive for
27 retirement purposes as to such service; provided, however, that any member may, within one
28 year from the date of issuance, or modification, of such certificate, request the board of trustees
29 to modify or correct the member's prior service certificate. When any employee ceases to be a
30 member the employee's prior service certificate shall become void, and should such employee
31 again become a member such employee shall enter the retirement system as a member not
32 entitled to prior service and membership service credit. After the member has five years of
33 continuous membership service since last date of reemployment and provided the member could
34 not under the applicable law at date of the member's termination have left such member's
35 accumulated contributions for accrued deferred retirement benefits, the member may reinstate
36 the member's creditable service as of such date by paying to the system the accumulated
37 contributions the member withdrew with interest to the date of repayment.

38 5. Membership service at retirement shall include creditable service as an employee, on
39 account of which contributions are made by the employing board and by the member except as
40 to creditable military service and accumulated and unused days of sick leave.

41 6. Creditable service upon retirement of a member, or upon such other date as a member
42 shall cease to be an employee shall consist of membership service, and if the member has a prior
43 service certificate in full force and effect it shall include service certified on the member's prior
44 service certificate, except that in determining the amount of any benefits pursuant to sections
45 169.410 to 169.585 the years of prior service creditable shall not exceed the number of years
46 which, when added to the membership service of the member, equals thirty-five years.

47 7.] 3. Any member inducted into the armed forces of the United States while an
48 employee, and discharged or separated from such service by other than dishonorable discharge,
49 shall be credited with such period or periods of time, not exceeding a total of four years, spent
50 in such service during time of war or national emergency, and any additional period or periods
51 of involuntary service as if such member had been for all effects and purposes in active service
52 as an employee during such period or periods of time. Periods of national emergency, as that
53 term is used in this section, shall be prescribed by rule of the board of trustees, giving due regard
54 to the acts and resolutions of Congress and the proclamations and orders of the President.

55 [8. Any employee whose membership was terminated during the years 1944 to 1947,
56 inclusive, pursuant to a rule of the board of education prohibiting the employment of married
57 women teachers and who was reemployed on or before January 1, 1950, and is a member as of

58 October 13, 1969, may reinstate the creditable service forfeited by the termination and acquire
59 credit as membership service for service rendered subsequent to the termination. In order to
60 obtain such credit, the member must pay the unpaid accumulated contributions for the approved
61 years of membership service to be credited together with any contributions which have been
62 refunded to the member plus interest from the date of the refund or from the date of membership
63 service to the date of repayment as provided herein. No prior service may be reinstated or other
64 service credited unless full payment is made for contributions for all possible service which is
65 classified as membership service.

66 9.] 4. Any member who is granted a leave of absence with reduced pay may authorize
67 deduction of contributions based on full compensation, the same as if not on leave, and in such
68 case the full compensation shall be used as annual compensation in determining the final average
69 compensation for calculation of benefits.

70 [10. Any employee who rendered service which at the time was not classified as
71 membership service nor were contributions paid but which would be classified as membership
72 service under later law and regulations may receive credit for such service by paying the required
73 contributions for such period of service with interest to date.

74 11.] 5. A member [who has rendered service in a public school district in the state of
75 Missouri, or outside the state of Missouri,] may elect to purchase and receive credit for [such]
76 service in accordance with the following conditions and limitations:

77 (1) The member must have a minimum of five years of continuous [creditable] **credited**
78 membership service in this retirement system prior to the member's election to purchase;

79 (2) [Service to be credited must be service for which the member did not and could not
80 receive accrued benefits by leaving contributions with any other retirement system under the
81 applicable law in effect at the termination of such service;

82 (3)] The member must have one year of [creditable] **credited** service in this **retirement**
83 system for each year to be credited;

84 [(4) The maximum period of service which can be credited pursuant to this subsection
85 is ten years;]

86 (3) **The member must purchase the entire amount of credited service the member**
87 **is eligible to purchase in a given category;**

88 (4) **Eligible categories of credited service that can be purchased are:**

89 (a) **Service rendered in a public school district in the state of Missouri, or outside**
90 **the state of Missouri;**

91 (b) **Service as an employee which at the time was not classified as membership**
92 **service nor were contributions paid but which would be classified as membership service**
93 **under later law and regulations;**

94 (c) **The period during which an employee's membership was terminated during the**
95 **years 1944 to 1947, inclusive, pursuant to a rule of the board of education prohibiting the**
96 **employment of married women teachers, provided the member was reemployed on or**
97 **before January 1, 1950, and was a member as of October 13, 1969;**

98 (d) **A period of up to five years during which a member was involuntarily laid off**
99 **in a staff reduction by the board of education after 1980, provided the member was**
100 **restored to full-time employment and the member did not receive a refund of the member's**
101 **accumulated contributions for credited service rendered prior to the layoff;**

102 (e) **Service for which the member received a refund of the member's accumulated**
103 **contributions;**

104 (f) **Up to three years of service rendered in a school, which is not part of the public**
105 **school system of this state and which charged tuition for the rendering of elementary and**
106 **secondary educational services, as a full-time employee who was duly certified under the**
107 **law governing the certification of teachers during all of such years of employment;**

108 (5) The member must pay for the purchase of service [after January 1, 1944, the total
109 amount of member's contributions for such years being purchased plus interest at the rates fixed
110 by the board of trustees with the contributions based on the compensation at which the member
111 initially was employed in this school district and the contribution rates then in effect;

112 (6) If all service after January 1, 1944, for which a member is eligible has been
113 purchased and it is less than ten years, the member may apply for credit for service prior to
114 January 1, 1944, provided the total credit does not exceed ten years, subject to applicable
115 conditions and limitations in this subsection, but no payment shall be required;] **in the amount**
116 **required by the rules and regulations established by the board of trustees of the retirement**
117 **system;**

118 (6) **The retirement system may accept a transfer of funds from a plan qualified**
119 **pursuant to Section 401(a) or 403(b) of the Internal Revenue Code in full or partial**
120 **payment of the amount required to purchase the credited service;**

121 (7) A member shall receive credit at retirement for only such service as has met the
122 conditions of this subsection. If the member has paid for any service which has not been
123 credited, the member shall receive a refund of the excess payment. If the member has not
124 completed such member's payment at time of retirement, the first benefits from the **retirement**
125 system shall be applied to pay the balance of the amount due and thereafter the full benefits shall
126 be payable[]; and

127 (8) Any credit granted for service outside the school district prior to January 1, 1944,
128 pursuant to subsection 2 of this section shall be included in determining whether any additional
129 credit may be obtained pursuant to this subsection.

12. An active member who is involuntarily laid off in a staff reduction by the board of education or board of regents after 1980 may, if the member is restored to full-time employment, elect to purchase and receive credit for service retirement for the period of such layoff in accordance with the following conditions and limitations:

(1) The member shall be an employee with a minimum of five years of continuous creditable membership service in this retirement system prior to the time the member elects to purchase service for the period of such layoff;

(2) The member shall not have been paid the member's accumulated contribution credited to the member's individual account after such layoff;

(3) The maximum period of creditable service which may be credited pursuant to this subsection is five years;

(4) The member shall pay for the purchase of creditable service the total cost of such service as determined by the board of trustees based on accepted actuarial methods using the same assumptions used by the retirement system at the time of such election. Such cost shall include both the employee's and the system's share of the cost of such credited service;

(5) The member shall make payment in full for the purchase of creditable service pursuant to this subsection over a period not to exceed five years, measured from the date of election, or prior to the effective date of retirement of the member, whichever is earlier, and with interest compounded annually at the rate established by the board of trustees.

13. Notwithstanding any other provision of sections 169.410 to 169.540 to the contrary, any member with five or more years of creditable service who ceased to be an employee, who has received a refund of such member's accumulated contributions pursuant to subsection 9 of section 169.460, who again becomes a member of the retirement system, may elect to reinstate any creditable service forfeited at time or times of any previous refunds. Such reinstatement shall be effected by the member paying to the retirement system with interest the amount of accumulated contributions refunded to the member on or after the time such member ceased to be an employee, and by continuous employment in the district for at least an additional seven years of creditable service before such member retires. Such payment with interest shall be made over a period of not longer than five years from the date of such member's election to reinstate creditable service, provided that such payment shall in all events be made prior to the retirement of such member. The member electing to reinstate such creditable service may not receive or be eligible to receive retirement benefits from any other retirement system for the period for which creditable service is being reinstated, and such member shall furnish an affidavit to the retirement system so stating].

169.450. 1. The general administration and responsibility for the proper operation of the retirement system and for making effective the provisions of sections 169.410 to 169.540 are

3 hereby vested in a board of trustees of eleven persons, as follows:

4 (1) Four trustees to be appointed for terms of four years by the board of education;
5 provided, however, that their terms shall be fixed so the terms of one of the trustees so appointed
6 shall expire each year. **The members of such board of trustees appointed by the board of**
7 **education may be members of the board of education or other individuals deemed qualified**
8 **to hold such positions by the board of education;**

9 (2) Four trustees to be elected for terms of four years by and from the active members
10 of the retirement system who shall hold office as trustees only while active members; provided,
11 however, that their terms shall be fixed so that the terms of one of the trustees so elected shall
12 expire each year; and provided further, that not more than two of such persons shall be teachers
13 and two shall be nonteachers. **For the purposes of this subsection, a school administrator**
14 **shall not be eligible for the positions established pursuant to this subdivision and shall be**
15 **eligible for the position established pursuant to subdivision (4) of this subsection;**

16 (3) Two trustees, who shall be [retirants] **retired members**, to be elected for terms of
17 four years by and from the [retirants] **retired members** of the retirement system; provided,
18 however, that the terms of office of the first two trustees so elected shall begin immediately upon
19 their election and shall expire two and four years from the date of their election, respectively; and
20 provided further, that not more than one of such persons shall be a teacher and one shall be a
21 nonteacher;

22 (4) One member, who shall be a school administrator, to be elected for a term of four
23 years by and from the active members of the retirement system who shall hold office as a trustee
24 only while an active member; except that, the initial term of office of such trustee shall expire
25 on December 31, 1999.

26 2. If a vacancy occurs in the office of trustee, the vacancy shall be filled for the
27 unexpired term in the same manner as the office was previously filled. **No vacancy or**
28 **vacancies on the board of trustees shall impair the power of the remaining trustees to**
29 **administer the retirement system pending the filling of such vacancies.**

30 3. [The members of such board of trustees appointed by the board of education may be
31 members of the board of education or other individuals deemed qualified to hold such positions
32 by the board of education. The] **In the event of lapses in a school district's corporate**
33 **organization as described in subsections 1 and 4 of section 162.081, RSMo, or for any other**
34 **reason, the general administration and the responsibility for the proper operation of the**
35 **retirement system shall continue to be fully vested in the trustees then currently serving**
36 **and such trustees shall continue to serve and be elected in the same manner as set forth in**
37 **this statute as if no lapse had occurred, except that in the event of vacancies occurring in**
38 **the office of trustees appointed by the board of education prior to the lapse, the board of**

39 **trustees shall appoint a qualified person or persons to fill such vacancy or vacancies for**
40 **terms of up to four years.**

41 **4.** Trustees shall serve without compensation, and any trustee shall be reimbursed from
42 the expense fund for all necessary expenses which the trustee may incur through service on the
43 board of trustees.

44 [4.] **5.** Each trustee shall, within ten days after such trustee's appointment or election,
45 take an oath of office before the clerk of the circuit court of the judicial circuit in which the
46 school district is located that, so far as it devolves upon the trustee, the trustee will diligently and
47 honestly administer the affairs of the board of trustees and that the trustee will not knowingly
48 violate or willingly permit to be violated any of the provisions of the law applicable to the
49 retirement system. Such oath shall be subscribed to by the trustee making it and filed in the
50 office of the clerk of the circuit court.

51 [5.] **6.** The circuit court of the judicial circuit in which the school district is located shall
52 have jurisdiction over the members of the board of trustees to require them to account for their
53 official conduct in the management and disposition of the funds and property committed to their
54 charge; to order, decree and compel payment by them to the public school retirement system of
55 their school district of all sums of money, and of the value of all property which may have been
56 improperly retained by them, or transferred to others, or which may have been lost or wasted by
57 any violation of their duties or abuse of their powers as such members of such board; to remove
58 any such member upon proof that the trustee has abused the trustee's trust or has violated the
59 duties of the trustee's office; to restrain and prevent any alienation or disposition of property of
60 such public school retirement system by the members, in cases where it may be threatened, or
61 there is good reason to apprehend that it is intended to be made in fraud of the rights and interests
62 of such public school retirement system. The jurisdiction conferred by sections 169.410 to
63 169.540 shall be exercised as in ordinary cases upon petition, filed by the board of education of
64 such school district, or by any two members of the board of trustees. Such petition shall be heard
65 in a summary manner after ten days' notice in writing to the member complained of, and an
66 appeal shall lie from the judgment of the circuit court as in other causes and be speedily
67 determined, but such appeal shall not operate under any condition as a supersedeas of a judgment
68 of removal from office.

69 [6.] **7.** Each trustee shall be entitled to one vote in the board of trustees. Six votes shall
70 be necessary for a decision by the trustees at any meeting of the board of trustees.

71 [7.] **8.** Subject to the limitations of sections 169.410 to 169.540, the board of trustees
72 shall, from time to time, establish rules and regulations for the administration of the [assets of
73 the] retirement system, **for eligibility for and determination of benefits under the retirement**
74 **system, for the investment of retirement system assets,** and for the transaction of [its] the

75 **retirement system's** business.

76 [8.] **9.** The board of trustees shall elect from its membership a chairman and shall, by
77 majority vote of its members, appoint a secretary, who may be, but need not be, one of its
78 members. It shall engage such actuarial and other services as shall be required to transact the
79 business of the retirement system. It shall also engage an investment counselor who shall be
80 experienced in the investment of moneys to advise the trustees on investments of the retirement
81 system. The compensation of all persons engaged by the board of trustees and all other expenses
82 of the board necessary for the operation of the retirement system shall be paid at such rates and
83 in such amounts as the board of trustees shall approve.

84 [9.] **10.** The board of trustees shall keep in convenient form such data as shall be
85 necessary for actuarial valuations of the assets of the retirement system and for checking the
86 experience of the system.

87 [10.] **11.** The board of trustees shall keep a record of all its proceedings which shall be
88 open to public inspection. It shall prepare annually and send to the board of education and to
89 each member of the retirement system a report showing the fiscal transactions of the retirement
90 system for the preceding fiscal year, a detailed listing of all salaries and expenditures incurred
91 by the trustees for its operation, the amount of the accumulated cash and securities of the system,
92 and the last balance sheet showing the financial condition of the system by means of an actuarial
93 valuation of the assets and liabilities of the retirement system. The board of trustees shall also
94 prepare or cause to be prepared an annual report concerning the operation of the retirement
95 system herein provided for, which report shall be sent by the chairman of the board of trustees
96 to the board of education.

97 [11.] **12.** The board of trustees shall arrange for necessary legal advice for the operation
98 of the retirement system.

99 [12.] **13.** The board of trustees shall designate a medical board to be composed of three
100 physicians, none of whom shall be eligible for benefits pursuant to sections 169.410 to 169.540,
101 who shall arrange for and pass upon all medical examinations required pursuant to the provisions
102 of sections 169.410 to 169.540, shall investigate all essential statements and certificates made
103 by or on behalf of a member in connection with an application for disability retirement and shall
104 report in writing to the board of trustees its conclusions and recommendations upon all matters
105 referred to it.

106 [13.] **14.** The actuary shall be the technical adviser of the board of trustees on matters
107 regarding the operation of the system created by sections 169.410 to 169.540 and shall perform
108 such other duties as are required in connection therewith. Such person shall be qualified as an
109 actuary by membership as a fellow in the Society of Actuaries or by [similar] objective standards
110 **which are no less stringent than those established by the Society of Actuaries.**

111 [14.] **15.** At least once in each five-year period the actuary shall make an investigation
112 into the actuarial experience of the retirement system, and taking into account the results of such
113 investigation of the experience, the board of trustees shall adopt for the retirement system such
114 actuarial assumptions as shall be deemed necessary.

115 [15.] **16.** On the basis of such actuarial assumptions as the board of trustees shall adopt,
116 the actuary shall make an annual valuation of the assets and liabilities of the funds of the
117 retirement system.

118 [16.] **17.** On the basis of the valuation the board of trustees shall certify the rates of
119 contribution payable by the board of education.

169.460. 1. Any member may retire [on a service retirement allowance] **and receive a**
2 **normal pension** upon his **or her** written application to the board of trustees setting forth at what
3 time not less than fifteen days nor more than [ninety] **one hundred eighty** days subsequent to
4 the execution and filing of such application he **or she** desires to be retired; provided, that the
5 member at the time so specified for his **or her** retirement either (a) shall have attained age
6 sixty-five or (b) shall have attained an age which when added to the number of years of
7 [creditable] **credited** service of such member shall total a sum not less than eighty-five. For
8 purposes of computing any member's age [under] **pursuant to** this section, the board shall, **if**
9 **necessary**, add to his **or her** actual age any accumulated and unused days of sick leave included
10 in his [creditable] **or her credited** service.

11 2. Upon retirement [for service under] **pursuant to** subsection 1 of this section, a
12 member shall receive an annual [service retirement allowance] **pension** payable in monthly
13 [service] installments equal to his **or her** number of years of [creditable] **credited** service
14 multiplied by [one and one-fourth] **two** percent of his **or her** average final compensation **subject**
15 **to a maximum pension of sixty percent of his or her average final compensation.**

16 3. A member who is not eligible for [service retirement under] **normal pension**
17 **pursuant to** subsection 1 of this section but **who** has attained age sixty and has five or more
18 years of [creditable] **credited** service may make application in the same manner as [under]
19 **pursuant to** subsection 1 of this section for an early [service retirement allowance which shall
20 be a percentage of his projected annual service retirement allowance. His projected annual
21 service retirement allowance shall equal his number of years of creditable service multiplied by
22 one and one-fourth percent of his average final compensation. The percentage of his projected
23 annual service retirement allowance shall be computed by deducting from one hundred percent
24 a sum equal to] **pension. His or her early pension shall be computed pursuant to subsection**
25 **2 of this section, but shall be reduced by five-ninths of one percent for each month such**
26 **member's early retirement date precedes the earliest date he or she could [receive a service**
27 **retirement allowance under] have received a normal pension pursuant to** subsection 1 of this

28 section had his **or her** service continued.

29 4. Upon the written application of the member or of the employing board, any active
30 member who has [had] five or more years of [creditable] **credited** service with such board and
31 does not qualify for [service retirement under] **a normal pension pursuant to** subsection 1 of
32 this section may be retired by the board of trustees, not less than fifteen **days** and not more than
33 [ninety] **one hundred eighty** days next following the date of filing such application, [on an
34 ordinary disability retirement allowance;] **and receive a disability pension**, provided, that the
35 medical board after a medical examination of such member **or such member's medical records**
36 shall certify that such member is unable to further perform his **or her** duties due to mental or
37 physical incapacity, and that such incapacity is likely to be permanent and that such member
38 should be retired; **or, provided the member furnishes evidence of the receipt of disability**
39 **benefits under the federal Old Age, Survivors and Disability Insurance System of the**
40 **Social Security Act.** The determination of the board of trustees in the matter shall be final and
41 conclusive. A [disability retirant] **member being retired pursuant to this subsection** who has
42 accumulated unused vacation and sick leave may elect to have the commencement of his **or her**
43 disability [retirement allowance] **pension** deferred for more than [ninety] **one hundred eighty**
44 days during the period he **or she** is entitled to vacation and sick pay.

45 5. Upon retirement for disability, a member shall receive a disability [retirement
46 allowance which] **pension until such time as he or she meets the requirements for a normal**
47 **pension pursuant to subsection 1 of this section, at which time his or her disability pension**
48 **will be deemed to be a normal pension.** The member's **disability pension** shall be the larger
49 of:

50 (1) A [service retirement allowance] **normal pension** based on his [creditable] **or her**
51 **credited** service to the date of his **or her retirement for** disability [retirement] and calculated
52 as if he **or she** were age sixty-five; or

53 (2) One-fourth of his **or her** average final compensation;
54 except that such [allowance] **benefit** shall not exceed the [service retirement allowance] **normal**
55 **pension** which he **or she** would [receive] **have received** upon retirement [had] **if his or her**
56 service **had** continued and **he or she had** satisfied the eligibility requirements of subsection 1
57 of this section and had his **or her** final average compensation been unchanged.

58 6. Once each year during the first five years following retirement [on a] **for** disability
59 [retirement allowance] and once in every three-year period thereafter **while receiving a**
60 **disability pension**, the board of trustees may, and shall, require any [disability beneficiary]
61 **member receiving a disability pension** who has not yet become eligible for [service retirement]
62 **a normal pension** pursuant to subsection 1 of this section to undergo a medical examination at
63 a place designated by the medical board or by a physician or physicians designated by such

64 board. [Should] **If** any such [disability beneficiary refuse] **member receiving a disability**
65 **pension refuses** to submit to such medical examination, his [allowance] **or her benefit** may be
66 discontinued until his **or her** withdrawal of such refusal, and [should] **if** his **or her** refusal
67 [continue] **continues** for one year, all rights in and to his **or her** pension may be revoked by the
68 board of trustees.

69 7. [Should] **If** the board of trustees [find] **finds** that any [disability retirant] **member**
70 **receiving a disability pension** is engaged in or is able to engage in a gainful occupation paying
71 more than the difference between his [retirement allowance] **or her disability pension** plus
72 benefits, if any, to which he **or she** and his **or her** family are eligible under the federal Old Age,
73 Survivors and Disability Insurance System of the Social Security Act and the current rate of
74 monthly compensation for the position he **or she** held at retirement, then the amount of his
75 [retirement allowance] **or her disability pension** shall be reduced to an amount which together
76 with the amount earnable by him **or her** shall equal such current rate of monthly compensation.
77 [Further adjustments in the disability retirement allowance because of earnings changes shall be
78 made by the board of trustees.] The decisions of the board of trustees in regard to such
79 modification of disability [allowance] **benefits** shall be final and conclusive.

80 8. [Should] **If** any [disability retirant be] **member receiving a disability pension is**
81 restored to service as an employee, he **or she** shall again become [a] **an active** member of the
82 retirement system and contribute thereunder. [If he is under age sixty at date of again becoming
83 a member, his creditable] **His or her credited** service at the time of his **or her** retirement **for**
84 **disability** shall be restored [to full force and effect,] and the excess of his **or her** accumulated
85 contributions at **his or her** retirement **for disability** over the total **disability pension** payments
86 which he **or she** received [during retirement] shall be credited to his **or her** account. [If he is age
87 sixty or over, his disability retirement allowance shall cease and be resumed upon subsequent
88 retirement, together with such retirement allowance as shall accrue by reason of his latest period
89 of membership.]

90 **9. If a member with fewer than five years credited service ceases to be an employee,**
91 **except by death, he or she shall be paid the amount of his or her accumulated contributions**
92 **in accordance with applicable provisions of the Internal Revenue Code.**

93 [9. Should] **10. If** a member [cease] **with five years or more credited service ceases**
94 to be an employee, except by death or retirement, he **or she** shall be paid on demand the amount
95 of his **or her** accumulated contributions [standing to the credit of his individual account,
96 provided that a member with five or more years of creditable service may leave], **or he or she**
97 **may leave** his **or her** accumulated contributions with the retirement system and be an inactive
98 member and claim a retirement [allowance] **benefit** at any time after he **or she** reaches the
99 minimum age for [voluntary] retirement, **except that if such a member's accumulated**

contributions do not exceed the involuntary distribution limits pursuant to provisions of the Internal Revenue Code, the member must elect to become an inactive member within thirty days of employment separation to avoid application of the involuntary distribution provisions of the Internal Revenue Code. When [his claim is presented] an inactive member presents his or her valid claim to the board of trustees, he or she shall be granted [an allowance] a benefit at such time and for such amount as is available [under] pursuant to subsection 2 or 3 of this section in accordance with the provisions of law in effect at the time his or her active membership ceased. The accumulated contributions of an inactive member may be withdrawn at any time upon ninety days' notice or such shorter notice as is approved by the board of trustees. [Should a] If an inactive member [die] dies before retirement, his or her accumulated contributions shall be paid to his or her designated beneficiary, if living, otherwise to the estate of the member. A member's accumulated contributions shall not be paid to him or her so long as he or she remains in service as an employee.

[10.] 11. Any member upon retirement shall receive his [benefit in a retirement allowance] or her pension payable throughout life subject to the provision that if his or her death occurs before he or she has received total benefits at least as large as his or her accumulated contributions at retirement, the difference shall be paid in one sum to his or her designated beneficiary, if living, otherwise to the estate of the retired member.

[11.] 12. Prior to the date of retirement [under] pursuant to subsection 2, 3, or 4 of this section, a member may elect to receive the actuarial equivalent [at that time] of his [retirement allowance] or her pension in a lesser [retirement allowance] amount, payable throughout life under one of the following options with the provision that:

Option 1. Upon his or her death, his [retirement allowance] or her pension shall be continued throughout the life of and paid to his or her beneficiary, or

Option 2. Upon his or her death, one-half of his [retirement allowance] or her pension shall be continued throughout the life of and paid to his or her beneficiary, or

Option 3. Upon his or her death, his [retirement allowance] or her pension shall be continued throughout the life of and paid to his or her beneficiary, provided that in the event his or her designated beneficiary predeceases him or her, then his [retirement allowance] or her pension shall be adjusted [at that time] effective the first day of the month following the month in which his or her designated beneficiary died to the amount determined [under] pursuant to subsection 2 or 3 of this section at the time of his or her retirement, or

Option 4. Upon his or her death, one-half of his [retirement allowance] or her pension shall be continued throughout the life of and paid to his or her beneficiary, provided that in the event his or her designated beneficiary predeceases him or her, then his [retirement allowance] or her pension shall be adjusted [at that time] effective the first day of the month following

136 **the month in which his or her designated beneficiary died** to the amount determined [under]
137 **pursuant to** subsection 2 or 3 of this section at the time of his **or her** retirement.

138 **Option 5. Prior to age sixty-two the member will receive an increased pension,**
139 **where the total pension prior to age sixty-two is approximately equal to the pension after**
140 **age sixty-two plus the member's estimated federal Social Security benefit, provided that**
141 **the reduced pension after age sixty-two is not less than one-half the pension the member**
142 **could have received had no option been elected.**

143
144 **A member may elect a combination of option 1 and option 5, or option 2 and option 5.** The
145 survivor benefits payable to a beneficiary, other than the spouse of the [retirant] **retired**
146 **member**, under any of the foregoing options shall in no event exceed fifty percent of the
147 actuarial equivalent of the [retirement allowance] **pension** determined [under] **pursuant to**
148 subsection 2 or 3 of this section at the time of retirement. [The actuarial equivalent of a
149 member's retirement allowance shall be computed as of the earlier of his actual retirement or the
150 date he became eligible for service retirement under subsection 1 of this section.]

151 [12.] **13.** If an option has been elected [under] **pursuant to** subsection [11] **12** of this
152 section, and both the retired member and beneficiary die before receiving total benefits as large
153 as the member's accumulated contributions at retirement, the difference shall be paid to [a] **the**
154 **designated beneficiary of the person last entitled to benefits**, if living, otherwise to the estate
155 of the person last entitled to benefits.

156 [13.] **14.** If an active member dies while an employee and with five or more years of
157 [creditable] **credited** service and a dependent of the member is designated as beneficiary to
158 receive his **or her** accumulated contributions, such beneficiary may, in lieu thereof, request that
159 benefits be paid [under] **pursuant to** option 1, subsection [11] **12** of this section, as if the
160 member had attained age sixty, if the member was less than sixty years of age at the time of his
161 **or her** death, and had retired under such option as of the date of death, provided that under the
162 same circumstances a member may provide by written designation that benefits must be paid
163 [under] **pursuant to** option 1 to such beneficiary. In addition to benefits received [under]
164 **pursuant to** option 1, subsection [11] **12** of this section, a surviving spouse receiving benefits
165 under this subsection shall receive sixty dollars per month for each unmarried dependent child
166 of the deceased member who is under twenty-two years of age and is in the care of the surviving
167 spouse; provided, that if there are more than three such unmarried dependent children one
168 hundred eighty dollars shall be divided equally among them. A "dependent beneficiary" for the
169 purpose of this subsection only shall mean either the surviving spouse or a person who at the
170 time of the death of the member was receiving at least one-half of his **or her** support from the
171 member, and the determination of the board of trustees as to whether a person is a dependent

172 shall be final.

173 [14. If the board of trustees is unable to refund the contributions of a member or to
174 commence payment of benefits after such refund or benefits are otherwise first due and payable
175 and thereafter, proper application is made for such refund or benefits, the board will make
176 payment of such refund or benefits but no credit will be allowed for interest after the date the
177 refund or benefits were first due and payable.]

178 15. In lieu of accepting the payment of the accumulated contributions of a member who
179 dies after having at least eighteen months of [creditable] **credited** service and while an employee,
180 an eligible beneficiary or, if no surviving **eligible** beneficiary, the unmarried dependent children
181 of the member under twenty-two years of age may elect to receive the benefits [under] **pursuant**
182 **to** subdivision (1), (2), (3), or (4) of this subsection. An "eligible beneficiary" is the surviving
183 spouse, unmarried dependent children under twenty-two years of age or dependent parents of the
184 member, if designated as beneficiary. A "dependent" is one receiving at least one-half of his **or**
185 **her** support from the member at his **or her** death.

186 (1) A surviving spouse who is sixty-two years of age at the death of the member or upon
187 becoming such age thereafter, and who was married to the member at least one year, may receive
188 sixty dollars per month for life. A spouse may receive this benefit after receiving benefits
189 [under] **pursuant to** subdivision (2) of this subsection;

190 (2) A surviving spouse who has in his or her care an unmarried dependent child of the
191 deceased member under twenty-two years of age may receive sixty dollars per month plus sixty
192 dollars per month for each child under twenty-two years of age but not more than a total of two
193 hundred forty dollars per month;

194 (3) If no benefits are payable [under] **pursuant to** subdivision (2) of this subsection,
195 unmarried dependent children under the age of twenty-two may receive sixty dollars each per
196 month; provided that if there are more than three such children one hundred eighty dollars per
197 month shall be divided equally among them;

198 (4) A dependent parent upon attaining sixty-two years of age may receive sixty dollars
199 per month as long as not remarried provided no benefits are payable at any time [under]
200 **pursuant to** subdivision (1), (2), or (3) of this subsection. If there are two dependent parents
201 entitled to benefits, sixty dollars per month shall be divided equally between them;

202 (5) If the benefits [under] **pursuant to** this subsection are elected and the total amount
203 paid is less than an amount equal to the accumulated contributions of a member at his **or her**
204 death, the difference shall be payable to the beneficiary or the estate of the beneficiary last
205 entitled to benefits.

206 16. [If a retired member dies while receiving a disability retirement allowance, the
207 surviving spouse and children, if any, shall receive benefits under subsection 15 of this section

208 to the same extent as if he had died while an employee, unless such member elected optional
209 benefits under subsection 11 of this section.

210 17. Should a service retirant again become a] **If a member receiving a normal pension**
211 **again becomes an active** member, his [retirement allowance] **or her pension benefit** payments
212 shall cease during such membership and shall be resumed upon subsequent retirement together
213 with such [retirement allowance] **pension benefit** as shall accrue by reason of his **or her** latest
214 period of membership. **Except as otherwise provided in section 105.269, RSMo,** a [retirant]
215 **retired member** may not receive a [retirement allowance payment in] **pension benefit** for any
216 month for which he **or she** receives compensation from an employing board, except he **or she**
217 may serve as a part-time or temporary employee for not to exceed sixty days in any [school]
218 **calendar** year without becoming a member and without having his [retirement allowance] **or her**
219 **pension benefit** discontinued. A [retirant] **retired member** may also serve as a member of the
220 board of trustees and receive any [compensation and] reimbursement for expenses allowed him
221 **or her** because of such service without becoming [a] **an active** member and without having his
222 [retirement allowance] **or her pension benefit** discontinued or reduced.

223 [18.] 17. Upon approval of the board of trustees, any member may make contributions
224 in addition to those required. Any additional contributions shall be accumulated at interest and
225 paid in addition to the benefits provided hereunder. The board of trustees shall make such rules
226 and regulations as it deems appropriate in connection with additional contributions including
227 limitations on amounts of contributions and methods of payment of benefits.

228 [19.] 18. Notwithstanding any other provisions of this section, any member retiring on
229 or after age sixty-five who [shall have] **has** five or more years of [creditable] **credited** service
230 shall be entitled to an annual [service retirement allowance] **pension** of the lesser of (a) an
231 amount equal to his **or her** number of years of [creditable] **credited** service multiplied by one
232 hundred twenty dollars, or (b) one thousand eight hundred dollars. Upon the death of such
233 member, any benefits payable to the beneficiary of such member shall be computed as otherwise
234 provided.

235 [20. Notwithstanding any other provisions of this section, any member who continues
236 his employment with an employing board after attaining seventy and one-half years of age shall
237 receive service retirement benefits during the continuation of his employment if and to the extent
238 the payment of such service retirement benefits is required by the Internal Revenue Code of
239 1986, as amended, and Treasury regulations promulgated thereunder; and such service retirement
240 benefits shall be adjusted annually for additional benefits which shall accrue by reason of such
241 continued employment in accordance with the rules and regulations of the board of trustees.
242 Optional benefits under subsection 11 of this section must be elected by a member prior to the
243 commencement of benefits hereunder.]

2 [169.462. 1. As used in this section, the term "private school" means a
3 school which is not a part of the public school system of this state and which charges
4 tuition for the rendering of elementary and secondary educational services.

5 2. A member having membership service in the retirement system provided
6 by sections 169.410 to 169.540, who was, prior to being a member, employed by a
7 private school on a full-time basis and duly certified under the law governing the
8 certification of teachers during all of such employment, may elect to purchase
9 membership credit for service rendered to the private school, but not to exceed three
10 years; provided that he shall be entitled to apply the membership credit thus
11 purchased toward a service retirement. The purchase allowed by this section shall
12 be effected by the member paying to the retirement system with interest an amount
13 based on the annual salary rate of his initial employment in the public school district
14 under the system in which credit is being purchased and the contribution rate in effect
15 in that system at the date of the election to purchase credit. Such payments shall
16 include any payments that would have been made by the employer of the member
17 during the period for which creditable service is being purchased, for each year of
18 creditable service being purchased, plus interest at the rates fixed by the board of
19 trustees. The purchase allowed by this section shall be effected before retirement of
20 the member, and may be paid in installments over a period not to exceed five years.
21 The purchase allowed by this section shall be subject to all rules and regulations of
the board of trustees.]

169.466. 1. Any retired member with fifteen or more years of creditable service at
2 retirement receiving [retirement benefits] **a pension** on August 28, 1997, shall receive on
3 January first of each year, commencing on January 1, 1998, an increase in the amount of
4 [benefits] **pension** received by the retired member pursuant to sections 169.410 to 169.540
5 during the preceding year of one hundred percent of the increase in the consumer price index
6 calculated in the manner provided in this section; except that, no such increase in [retirement]
7 **pension** benefits shall be paid for any year if such increase in the consumer price index is less
8 than one percent. Such annual [retirement benefit] **pension** increase, however, shall not exceed
9 three percent and the total increases in the amount of [retirement] **pension** benefits received by
10 any retired member shall not, in the aggregate, exceed ten percent of the [retirement] **pension**
11 benefits such retired member received during the year preceding January first of the first year the
12 retired member is entitled to receive an increase pursuant to this section. A retired member
13 qualified to receive an annual [retirement benefit] **pension** increase pursuant to this section shall
14 not be eligible to receive an additional benefit until the January first after the first anniversary
15 of the date on which he or she commenced receiving [retirement benefits] **a pension** pursuant
16 to sections 169.410 to 169.540. Benefits shall not be decreased in the case of a decrease in the
17 consumer price index for any year.

18 2. For the purpose of this section, any increase in the consumer price index shall be
19 determined by the board of trustees in November of each year based on the consumer price index

20 for the twelve-month period ended on September thirtieth of such year over the consumer price
21 index for the twelve-month period ended on September thirtieth of the year immediately prior
22 thereto. Any increase so determined shall be applied by the board of trustees in calculating
23 increases in [retirement] **pension** benefits that become payable pursuant to this section for the
24 twelve-month period beginning on the January first immediately following such determination.
25 3. An annual increase in [retirement] **pension** benefits, if any, shall be payable monthly
26 with monthly installments of other [retirement] **pension** benefits pursuant to sections 169.410
27 to 169.540.

169.471. 1. The board of education is authorized from time to time, in its discretion, to
2 increase the [retirement] **pension** benefits now or hereafter provided pursuant to sections
3 169.410 to 169.540 and to adopt and implement additional [retirement] **pension** benefits and
4 plans, including without limitation, early retirement plans, deferred retirement option plans and
5 cost-of-living adjustments, but excluding compensation to retired members pursuant to section
6 169.475, and for such purpose the contribution rate of members of the retirement system may
7 be increased to provide part of the cost thereof, subject to the following conditions:

8 (1) Any such increase in [retirement] **pension** benefits and additional [retirement]
9 **pension** benefits and plans shall be approved by the board of trustees;

10 (2) The board of trustees shall have presented to the board of education the projected
11 increases in rates of contribution which will be required to be made by members and the board
12 of education to the retirement system to pay the cost of such increases in [retirement] **pension**
13 benefits and additional [retirement] **pension** benefits and plans; and

14 (3) Any increase in the contribution rate of members of the retirement system shall be
15 approved by the board of trustees and shall be deducted from the compensation of each member
16 by the employing board and transferred and credited to the individual account of each member
17 from whose compensation the deduction was made, and shall be administered in accordance with
18 sections 169.410 to 169.540; provided that, any such increase in the members' contribution rate
19 shall not exceed one-half of one percent of compensation in any year for such increases to
20 [retirement] **pension** benefits and additional [retirement] **pension** benefits and plans adopted
21 during such year by the board of education pursuant to this section, and all such increases in the
22 members' contribution rate shall, in the aggregate, not exceed two percent of compensation.

169.475. 1. Any retired member now receiving [retirement] **pension** benefits, who
2 served five years or more as an employee of the school district and who retired after June 30,
3 1957, and prior to January 1, 1971, shall, upon application to the retirement system, be employed
4 by that retirement system as a special school advisor and supervisor. Any person so employed
5 shall perform such duties as the board of trustees directs, and shall receive a salary of five dollars
6 per month for each year of service not to exceed seventy-five dollars per month, payable by the

7 retirement system as part of its administrative costs, but the payment to the retired person for
8 such services, together with the [retirement] **pension** benefits the person receives, shall not
9 exceed one hundred fifty dollars per month. The employment provided for by this subsection
10 shall in no way affect any person's eligibility for [retirement] **pension** benefits or for employment
11 pursuant to other subsections of this section.

12 2. Any retired member now receiving [retirement] **pension** benefits, who served ten
13 years or more as an employee of the school district and who retired prior to January 1, 1955,
14 shall, upon application to the retirement system be employed by that retirement system as a
15 special school advisor and supervisor. Any person so employed shall perform such duties as the
16 board of trustees directs, and shall receive a salary of two hundred fifty dollars per month payable
17 by the retirement system as part of its administrative costs, but payment to the retired person for
18 such services shall be reduced by the [retirement] **pension** benefits the person receives. The
19 employment provided for by this subsection shall in no way affect any person's eligibility for
20 [retirement] **pension** benefits or for employment pursuant to other subsections of this section,
21 subject to the limitation set forth in subsection 3 of this section.

22 3. Any retired member now receiving [retirement] **pension** benefits who retired prior to
23 January 1, 1976, shall, upon application to the retirement system, be employed by that retirement
24 system as a school consultant. Any person so employed shall perform such duties as the board
25 of trustees directs, and shall receive a salary equal to four dollars per month for each year (or
26 major portion of a year) between the date of the person's retirement and December 31, 1981, plus
27 two dollars per month for each year (or major portion of a year) between January 1, 1982, and
28 December 31, 1984, and, in addition, shall be entitled to receive the insurance benefits provided
29 [retirants] **retired members** pursuant to section 169.476 payable by the retirement system as part
30 of its administrative costs. The employment provided for by this subsection shall in no way
31 affect any person's eligibility for [retirement] **pension** benefits or for employment pursuant to
32 other subsections of this section, provided that total salaries payable to any retired member
33 pursuant to subsections 2 and 3 of this section shall not exceed two hundred fifty dollars per
34 month.

35 4. Any retired member now receiving [retirement] **pension** benefits who retired on or
36 after January 1, 1976, and prior to December 31, 1984, shall, upon application to the retirement
37 system, be employed by the retirement system as a school consultant. Any person so employed
38 shall perform such duties as the board of trustees directs and shall receive a salary equal to four
39 dollars per month for each year (or major portion of a year) between the date of the person's
40 retirement and December 31, 1984, and, in addition, shall be entitled to receive the insurance
41 benefits provided [retirants] **retired members** pursuant to section 169.476 payable by the
42 retirement system as part of its administrative costs. The employment provided for by this

43 subsection shall in no way affect any person's eligibility for [retirement] **pension** benefits or for
44 employment pursuant to other subsections of this section.

45 5. Any retired member now receiving [retirement] **pension** benefits or who retires prior
46 to December 31, 1986, shall, after application to the retirement system, be employed by the
47 retirement system as a school consultant. Any person so employed shall perform such duties as
48 the board of trustees directs and shall receive a salary equal to two dollars per month for each
49 year (or major portion of a year) between the date of the person's retirement and December 31,
50 1986, payable by the retirement system as part of its administrative costs. The employment
51 provided for by this subsection shall in no way affect any person's eligibility for [retirement]
52 **pension** benefits or for employment pursuant to other subsections of this section.

53 6. Any retired member now receiving [retirement] **pension** benefits or who retires prior
54 to December 31, 1988, shall, after application to the retirement system, be employed by the
55 retirement system as a school consultant. Any person so employed shall perform such duties as
56 the board of trustees directs and shall receive a salary equal to two dollars per month for each
57 year (or major portion of a year) between the date of the person's retirement and December 31,
58 1988, payable by the retirement system as part of its administrative costs. The employment
59 provided for by this subsection shall in no way affect any person's eligibility for [retirement]
60 **pension** benefits or for employment pursuant to other subsections of this section.

61 7. Any retired member now receiving [retirement] **pension** benefits or who retires prior
62 to December 31, 1990, shall, after application to the retirement system, be employed by the
63 retirement system as a school consultant. Any person so employed shall perform such duties as
64 the board of trustees directs and shall receive a salary equal to two dollars per month for each
65 year (or major portion of a year) between the date of the person's retirement and December 31,
66 1990, not to exceed ten years, payable by the retirement system as part of its administrative costs.
67 The employment provided for by this subsection shall in no way affect any person's eligibility
68 for [retirement] **pension** benefits or for employment pursuant to other subsections of this section.

69 8. Any retired member now receiving [retirement] **pension** benefits or who retires prior
70 to December 31, 1993, shall, after application to the retirement system, be employed by the
71 retirement system as a school consultant. Any person so employed shall perform such duties as
72 the board of trustees directs and shall receive a salary equal to three dollars per month for each
73 year (or major portion of a year) between the date of the person's retirement and December 31,
74 1993, payable by the retirement system as part of its administrative costs. The employment
75 provided by this subsection shall in no way affect any person's eligibility for [retirement] **pension**
76 benefits or for employment pursuant to other subsections of this section.

77 9. Any retired member now receiving [retirement] **pension** benefits with fifteen years
78 or more creditable service at retirement, shall, after application to the retirement system, be

79 employed by the retirement system as a consultant. Any person so employed shall, upon the
80 request of the board of trustees, give the board, orally or in writing, a short detailed statement of
81 the problems of retirement under the current monthly benefits. As compensation for the
82 obligation to perform the extra duty imposed by this subsection, each consultant who meets the
83 qualification prescribed in subsection 7 of this section, shall receive, in addition to all other
84 compensation payable pursuant to this section, an increase in compensation each year computed
85 on the total amount which such consultant receives pursuant to this section of one hundred
86 percent of the increase in the consumer price index calculated and payable in the manner
87 specified in section 169.466. A consultant otherwise qualified to receive compensation pursuant
88 to this subsection shall not be eligible to receive such compensation until the January first after
89 he or she has been retired for at least twelve months. Any such annual increase in compensation,
90 however, shall not exceed three percent, and the total increase in compensation pursuant to this
91 subsection shall not exceed ten percent of the total compensation such consultant was receiving
92 pursuant to this section on August 28, 1996. Additional compensation payable pursuant to this
93 subsection shall be payable by the retirement system as part of its administrative costs. The
94 employment provided for in this subsection shall in no way affect any person's eligibility for
95 [retirement] **pension** benefits or for employment pursuant to other subsections of this section.

96 10. Annually, immediately after the close of the fiscal year of the retirement system, the
97 actuary for the system shall determine if the payments made pursuant to the provisions of this
98 section have impaired the actuarial soundness of the plan, and upon the actuary's certification
99 that the soundness has been so impaired, the system shall bill the school district which last
100 employed the retired person on a full-time basis for reimbursement of the amount paid to that
101 person during the preceding fiscal year. The school district shall forthwith accordingly reimburse
102 the retirement system.

103 **11. Effective January 1, 2002, all payments made pursuant to this section shall be**
104 **paid as cost-of-living benefits rather than as expenses of the retirement system.**

169.476. The retirement system may contribute toward an insurance plan for the benefit
2 of [retirants] **retired members** which may provide dental, hospital, surgical, medical, life,
3 accident, and similar insurance benefits as approved by the board of trustees. Such contributions
4 shall be a part of the administrative costs of the retirement system. The board of trustees shall
5 make such rules and regulations as it deems appropriate in connection with such plan.

169.480. 1. The board of trustees shall be the trustees of all the funds of the system and
2 shall have full power to invest and reinvest such funds, and such trustees shall have full power
3 to hold, purchase, sell, assign, transfer or dispose of any of the securities and investments in
4 which such funds shall have been invested, as well as of the proceeds of such investments and
5 any moneys belonging to such funds.

6 2. The board of trustees shall annually credit each member's individual account with
7 interest on the largest balance remaining in each account for the entire year and at the rate
8 determined by the board.

9 3. [The board of trustees shall elect a treasurer of the retirement system who shall be a
10 trustee and who may, but need not, be the treasurer of the board of education, who, subject to
11 such limitations as may be provided by the board of trustees, shall be the custodian of the funds
12 of the retirement system and shall give such bond for the faithful handling of the funds as the
13 board of trustees shall determine.] The board of trustees may employ a bank having fiduciary
14 powers for the provision of such custodial or clerical services as the board may deem appropriate
15 [to assist the treasurer]. Disbursement of funds of the retirement system shall be under the
16 **general** supervision of the [treasurer] **board of trustees** and shall be in accordance with
17 procedures established or approved by the board of trustees with the concurrence of the system's
18 auditors.

19 4. For the purpose of meeting disbursements for [retirement allowances] **pensions** and
20 other payments, there may be kept available cash on deposit in one or more banks or trust
21 companies in the school district, organized [under] **pursuant to** the laws of the state of Missouri,
22 or of the United States; provided, that the amount on deposit in any one bank or trust company
23 shall not exceed twenty-five percent of the paid-up capital and surplus of such bank or trust
24 company, and for all deposits the board of trustees shall require of the banks or trust companies
25 as security for the safekeeping and payment of the deposits securities of a like kind and character
26 as may be required by law for the safekeeping and payment of deposits made by the state
27 treasurer.

28 5. Except as herein provided, no trustee, member of the board of education or employee
29 of either the board of trustees or the board of education shall have any direct interest in the gains
30 or profits of any investment made by the board of trustees. Nor shall any of them directly or
31 indirectly for himself **or herself** or as an agent in any manner use the assets of the retirement
32 system except to make such current and necessary payments as are authorized by the board of
33 trustees, nor shall any of said persons become an endorser or surety or become in any manner an
34 obligor for moneys loaned by or borrowed from the board of trustees.

35 6. No member of the board of education shall be interested in any contract with or claim
36 against the public school retirement system in his **or her** school district. If at any time after the
37 election of any member of the board he **or she** becomes interested in any contract or claim
38 against said retirement system, either directly or indirectly, or as agent or employee of any
39 individual, firm or corporation, which is so interested, he **or she** shall thereupon be disqualified
40 to continue as a member of the board.

169.490. All the assets of the retirement system shall be held as one fund.

2 1. (1) The employing board shall cause to be deducted from the compensation of each
3 member at every payroll period [four] **five** percent of his **or her** compensation, and the amounts
4 so deducted shall be transferred to the board of trustees and credited to the individual account
5 of each member from whose compensation the deduction was made. In determining the amount
6 earnable by a member in any payroll period, the board of trustees may consider the rate of
7 earnable compensation payable to such member on the first day of the payroll period as
8 continuing throughout such payroll period; it may omit deduction from compensation for any
9 period less than a full payroll period if the employee was not a member on the first day of the
10 payroll period; and to facilitate the making of the deductions, it may modify the deduction
11 required of any member by such amount as shall not exceed one-tenth of one percent of the
12 compensation upon the basis of which such deduction was made.

13 (2) The deductions provided for herein are declared to be a part of the salary of the
14 member and the making of such deductions shall constitute payments by the member out of his
15 **or her** salary or earnings and such deductions shall be made notwithstanding that the minimum
16 compensation provided by law for any member shall be reduced thereby. Every member shall
17 be deemed to consent to the deductions made and provided for herein, and shall receipt for his
18 **or her** full salary or compensation, and the making of said deductions and the payment of salary
19 or compensation less said deduction shall be a full and complete discharge and acquittance of
20 all claims and demands whatsoever for services rendered during the period covered by the
21 payment except as to benefits provided by sections 169.410 to 169.540.

22 (3) The employing board may elect to pay member contributions required by this section
23 as an employer pick up of employee contributions [under] **pursuant to** Section 414(h)(2) of the
24 Internal Revenue Code of 1986, as amended, and such contributions picked up by the employing
25 board shall be treated as contributions made by members for all purposes of sections 169.410 to
26 169.540.

27 2. [Should] **If** a [retirant] **retired member** receiving a [retirement benefit] **pension**
28 pursuant to sections 169.410 to 169.540 [be] **is** restored to active service and again [become a]
29 **becomes an active** member of the retirement system, there shall be credited to his **or her**
30 individual account an amount equal to the excess, if any, of his **or her** accumulated contributions
31 at retirement over the total [retirement allowances] **pension benefits** paid to him **or her**.

32 3. [(1) There shall be paid annually to the retirement system by the school district an
33 amount equal to a certain percentage of the total compensation of all members to be known as
34 the "normal cost contribution", and an additional amount equal to a percentage of such
35 compensation to be known as the "accrued liability contribution". The rates percent of such
36 contributions] **Annually, the actuary for the retirement system shall calculate each**
37 **employer's contribution as an amount equal to a certain percentage of the total**

38 **compensation of all members employed by that employer. The percentage** shall be fixed
39 on the basis of the liabilities of the retirement system as shown by **the annual** actuarial
40 [valuations] **valuation**. [The retirement system shall make similar contributions for the members
41 who are employees of the system.

42 (2) On the basis of such actuarial assumptions as shall be adopted by the board of
43 trustees, the actuary engaged by the board of trustees to make each valuation required during the
44 period over which the accrued liability contribution is payable, at the time of making a valuation,
45 shall determine the uniform and constant percentage of the compensation of all members in
46 service, which, if contributed throughout their remaining period of active service, would be
47 sufficient to provide for the payment of any pension payable on their account. The normal cost
48 contribution rate shall be the rate percent of the compensation of all members obtained by
49 deducting from the total liabilities of the fund the amount of assets in hand to the credit of the
50 fund plus the amount of unfunded accrued liability and dividing the remainder by one percent
51 of the present value of the prospective future compensation of all members in service as
52 computed on the basis of the actuarial assumptions adopted by the board of trustees. The rate
53 percent so determined shall be known as the "normal cost contribution rate".

54 (3) At the first valuation following December 31, 1980, the actuary engaged by the board
55 of trustees shall compute the accrued liability for retirement allowance and other benefits on
56 account of all members and beneficiaries which is not dischargeable by the assets of the
57 retirement system, less the expense and contingency reserve, and by the value of the prospective
58 normal cost contributions payable on account of such members during the remainder of their
59 active service at the normal cost contribution rate then in force, and such accrued liability not so
60 dischargeable shall be known as the "initial unfunded accrued liability". A calculation shall then
61 be made to determine the level annual amount required to liquidate the initial unfunded accrued
62 liability not later than October 13, 2011. At each valuation following December 31, 1980, the
63 actuary will determine any increases or decreases in the accrued liability resulting from either
64 changes in actuarial assumptions or changes in the benefits under sections 169.410 to 169.540.
65 Such increases or decreases in the accrued liability will be determined by the actuary under the
66 entry age normal-frozen initial liability cost method. The amount so obtained shall be known
67 as a "supplement" to the unfunded accrued liability. A calculation shall then be made to
68 determine the level annual amount required to liquidate the supplement to the unfunded accrued
69 liability by the end of fifty years from the end of the year in which the supplement is created.
70 The level annual amounts required to liquidate the initial unfunded accrued liability and each
71 supplement to the unfunded accrued liability are added together, and the amount so obtained
72 shall be expressed as a percentage of the total earnable compensation of all members in service.
73 This percentage of such total compensation shall be known as the "accrued liability contribution

74 rate", and shall be payable until the unfunded accrued liability has been liquidated. Provided that
75 the board may authorize a redetermination by the actuary of the unfunded accrued liability
76 contribution rate within the limitation that the unfunded accrued liability will be amortized not
77 later than the end of the fifty years from October 13, 1961, or the end of the year in which the
78 supplement to the unfunded accrued liability was credited.

79 (4) The accrued liability contribution shall be discontinued as soon as assets of the
80 retirement system, less the expense and contingency reserve, shall equal the present value as
81 actuarially computed and approved by the board of trustees of the total liabilities of the
82 retirement system, less the present value computed on the basis of the normal cost contribution
83 rate then in force of the prospective normal cost contributions to be received on account of
84 members who are at that time in service.] **The annual actuarial valuation shall be made on**
85 **the basis of such actuarial assumptions and the actuarial cost method adopted by the board**
86 **of trustees, provided that the actuarial cost method adopted shall be in accordance with**
87 **generally accepted actuarial standards and that the unfunded actuarial accrued liability,**
88 **if any, shall be amortized by level annual payments over a period not to exceed thirty**
89 **years.**

90 4. The expense and contingency reserve shall be a reserve for investment contingencies
91 and estimated expenses of administration of the retirement system as determined annually by the
92 board of trustees.

93 5. Gifts, devises, bequests and legacies may be accepted by the board of trustees to be
94 held and invested as a part of the assets of the retirement system and shall not be separately
95 accounted for except where specific direction for the use of a gift is made by a donor.

169.500. On or before the first day of [June] **January** of each year the board of trustees
2 shall certify to the board of education, **the board of trustees and the board of regents**, and to
3 the state of Missouri with respect to the contribution for members employed by [the board of
4 regents] **these employers**, the amount which will [become due and payable on or before January
5 first of the year next following to the general reserve fund. The amount so certified shall be
6 included by the board of education in its annual budget estimate.] **be paid to the retirement**
7 **system on or before December thirty-first of that year. On or before the first day of**
8 **January of each year the board of trustees shall certify to charter schools and to the state**
9 **of Missouri with respect to the contribution of members employed by these employers, the**
10 **amount which will be paid to the retirement system on a monthly basis beginning January**
11 **first of that year.** The amount so certified shall be [appropriated by the school district and
12 transferred to the retirement system for the ensuing year] **included by the employers in their**
13 **annual budget estimates.**

169.510. 1. The payment of all [retirement allowances] **pension benefits**, refunds and

2 other benefits or expenses [under] **pursuant to** the provisions of sections 169.410 to 169.540
3 and all expenses in connection with the administration and operation of the retirement system
4 are hereby made obligations chargeable against the assets of the retirement system and not of the
5 [school district] **employers**, and the assets of the retirement system shall not be diverted or used
6 for any purpose other than the payment of such obligations.

7 2. No alteration, amendment or repeal of sections 169.410 to 169.540 shall be deemed
8 to affect the rights of members of any retirement system established thereunder with reference
9 to deposits previously made, or to reduce any accrued or potential benefits to those who are
10 members at the time when such alterations, amendments, or repeal becomes effective or to
11 reduce the amount of any [retirement allowance] **pension benefit** then payable.

169.520. Any funds created by sections 169.410 to 169.540 while in the charge and
2 custody of the board of trustees of such retirement system shall not be subject to execution,
3 garnishment, attachment or any other process whatsoever and shall be unassignable except as in
4 sections 169.410 to 169.540 specifically provided **or in the case of a proper order of child**
5 **support issued through the division of child support enforcement.**

169.540. The state of Missouri shall contribute no funds directly or indirectly to finance
2 the plan to pay [retirement allowances] **pension benefits** by appropriation bills or otherwise,
3 except those funds which the district may receive from time to time under a law or laws
4 providing for a general apportionment of school moneys throughout all the state and except
5 employer contributions for members employed by the board of regents which shall be made by
6 the state of Missouri.

169.670. 1. The retirement allowance of a member whose age at retirement is sixty years
2 or more and whose creditable service is five years or more, or whose sum of age and creditable
3 service equals eighty years or more, or whose creditable service is thirty years or more regardless
4 of age, shall be the sum of the following items:

5 (1) For each year of membership service, one and [fifty-one] **sixty-one** hundredths
6 percent of the member's final average salary;

7 (2) Six-tenths of the amount payable for a year of membership service for each year of
8 prior service;

9 (3) Eighty-five one-hundredths of one percent of any amount by which the member's
10 average compensation for services rendered prior to July 1, 1973, exceeds the average monthly
11 compensation on which federal Social Security taxes were paid during the period over which
12 such average compensation was computed, for each year of membership service credit for
13 services rendered prior to July 1, 1973, plus six-tenths of the amount payable for a year of
14 membership service for each year of prior service credit;

15 (4) In lieu of the retirement allowance otherwise provided by subdivisions (1) to (3) of

16 this subsection, between July 1, [2000] **2001**, and July 1, 2003, a member may elect to receive
17 a retirement allowance of:

18 (a) One and [forty-nine] **fifty-nine** hundredths percent of the member's final average
19 salary for each year of membership service, if the member's creditable service is twenty-nine
20 years or more but less than thirty years and the member has not attained the age of fifty-five;

21 (b) One and [forty-seven] **fifty-seven** hundredths percent of the member's final average
22 salary for each year of membership service, if the member's creditable service is twenty-eight
23 years or more but less than twenty-nine years, and the member has not attained the age of
24 fifty-five;

25 (c) One and [forty-five] **fifty-five** hundredths percent of the member's final average
26 salary for each year of membership service, if the member's creditable service is twenty-seven
27 years or more but less than twenty-eight years and the member has not attained the age of
28 fifty-five;

29 (d) One and [forty-three] **fifty-three** hundredths percent of the member's final average
30 salary for each year of membership service, if the member's creditable service is twenty-six years
31 or more but less than twenty-seven years and the member has not attained the age of fifty-five;

32 (e) One and [forty-one] **fifty-one** hundredths percent of the member's final average salary
33 for each year of membership service, if the member's creditable service is twenty-five years or
34 more but less than twenty-six years and the member has not attained the age of fifty-five; and

35 (5) In addition to the retirement allowance provided in subdivisions (1) to (3) of this
36 subsection, a member retiring on or after July 1, [2000] **2001**, whose creditable service is thirty
37 years or more or whose sum of age and creditable service is eighty years or more, shall receive
38 a temporary retirement allowance equivalent to [four-tenths] **eight-tenths** of one percent of the
39 member's final average salary multiplied by the member's years of service until such time as the
40 member reaches the minimum age for Social Security retirement benefits.

41 2. If the board of trustees determines that the cost of living, as measured by generally
42 accepted standards, increases five percent or more in the preceding fiscal year, the board shall
43 increase the retirement allowances which the retired members or beneficiaries are receiving by
44 five percent of the amount being received by the retired member or the beneficiary at the time
45 the annual increase is granted by the board; provided that, the increase provided in this
46 subsection shall not become effective until the fourth January first following a member's
47 retirement or January 1, 1982, whichever occurs later, and the total of the increases granted to
48 a retired member or the beneficiary after December 31, 1981, may not exceed [seventy-five]
49 **eighty** percent of the retirement allowance established at retirement or as previously adjusted by
50 other provisions of law. If the cost of living increases less than five percent, the board of trustees
51 may determine the percentage of increase to be made in retirement allowances, but at no time

52 can the increase exceed five percent per year. If the cost of living decreases in a fiscal year, there
53 will be no increase in allowances for retired members on the following January first.

54 3. The board of trustees may reduce the amounts which have been granted as increases
55 to a member pursuant to subsection 2 of this section if the cost of living, as determined by the
56 board and as measured by generally accepted standards, is less than the cost of living was at the
57 time of the first increase granted to the member; provided that, the reductions shall not exceed
58 the amount of increases which have been made to the member's allowance after December 31,
59 1981.

60 4. (1) In lieu of the retirement allowance provided in subsection 1 of this section, called
61 "option 1", a member whose creditable service is twenty-five years or more or who has attained
62 age fifty-five with five or more years of creditable service may elect, in the application for
63 retirement, to receive the actuarial equivalent of the member's retirement allowance in reduced
64 monthly payments for life during retirement with the provision that:

65 Option 2. Upon the member's death, the reduced retirement allowance shall be continued
66 throughout the life of and paid to such person as has an insurable interest in the life of the
67 member as the member shall have nominated in the member's election of the option, and
68 provided further that if the person so nominated dies before the retired member, the retirement
69 allowance will be increased to the amount the retired member would be receiving had the
70 member elected option 1;

71 OR

72 Option 3. Upon the death of the member three-fourths of the reduced retirement
73 allowance shall be continued throughout the life of and paid to such person as has an insurable
74 interest in the life of the member and as the member shall have nominated in an election of the
75 option, and provided further that if the person so nominated dies before the retired member, the
76 retirement allowance will be increased to the amount the retired member would be receiving had
77 the member elected option 1;

78 OR

79 Option 4. Upon the death of the member one-half of the reduced retirement allowance
80 shall be continued throughout the life of, and paid to, such person as has an insurable interest in
81 the life of the member and as the member shall have nominated in an election of the option, and
82 provided further that if the person so nominated dies before the retired member, the retirement
83 allowance shall be increased to the amount the retired member would be receiving had the
84 member elected option 1;

85 OR

86 Option 5. Upon the death of the member prior to the member having received one
87 hundred twenty monthly payments of the member's reduced allowance, the remainder of the one

88 hundred twenty monthly payments of the reduced allowance shall be paid to such beneficiary as
89 the member shall have nominated in the member's election of the option or in a subsequent
90 nomination. If there is no beneficiary so nominated who survives the member for the remainder
91 of the one hundred twenty monthly payments, the reserve for the remainder of such one hundred
92 twenty monthly payments shall be paid to the estate of the last person to receive a monthly
93 allowance;

94 OR

95 Option 6. Upon the death of the member prior to the member having received sixty
96 monthly payments of the member's reduced allowance, the remainder of the sixty monthly
97 payments of the reduced allowance shall be paid to such beneficiary as the member shall have
98 nominated in the member's election of the option or in a subsequent nomination. If there is no
99 beneficiary so nominated who survives the member for the remainder of the sixty monthly
100 payments, the reserve for the remainder of such sixty monthly payments shall be paid to the
101 estate of the last person to receive a monthly allowance;

102 OR

103 Option 7. A plan of variable monthly benefit payments which provides, in conjunction
104 with the member's retirement benefits under the federal Social Security laws, level or near-level
105 retirement benefit payments to the member for life during retirement, and if authorized, to an
106 appropriate beneficiary designated by the member. Such a plan shall be actuarially equivalent
107 to the retirement allowance under option 1 and shall be available for election only if established
108 by the board of trustees under duly adopted rules.

109 (2) The election of an option may be made only in the application for retirement and such
110 application must be filed prior to the date on which the retirement of the member is to be
111 effective. If either the member or the person nominated dies before the effective date of
112 retirement, the option shall not be effective, provided that:

113 (a) If the member or a person retired on disability retirement dies after attaining age
114 fifty-five and acquiring five or more years of creditable service or after acquiring twenty-five or
115 more years of creditable service and before retirement, except retirement with disability benefits,
116 and the person named by the member as the member's primary beneficiary has an insurable
117 interest in the life of the deceased member, the designated beneficiary may elect to receive either
118 survivorship payments under option 2 or a payment of the member's accumulated contributions.
119 If survivorship benefits under option 2 are elected and the member at the time of death would
120 have been eligible to receive an actuarial equivalent of the member's retirement allowance, the
121 designated beneficiary may further elect to defer the option 2 payments until the date the member
122 would have been eligible to receive the retirement allowance provided in subsection 1 of this
123 section.

(b) If the member or a person retired on disability retirement dies before attaining age fifty-five but after acquiring five but fewer than twenty-five years of creditable service, and the person named as the primary beneficiary has an insurable interest in the life of the deceased member or disability retiree, the designated beneficiary may elect to receive either a payment of the person's accumulated contributions, or survivorship benefits under option 2 to begin on the date the member would first have been eligible to receive an actuarial equivalent of the person's retirement allowance, or to begin on the date the member would first have been eligible to receive the retirement allowance provided in subsection 1 of this section.

5. If the total of the retirement allowances paid to an individual before the person's death is less than the person's accumulated contributions at the time of the person's retirement, the difference shall be paid to the person's beneficiary or to the person's estate; provided, however, that if an optional benefit, as provided in option 2, 3 or 4 in subsection 4, had been elected and the beneficiary dies after receiving the optional benefit, then, if the total retirement allowances paid to the retired individual and the individual's beneficiary are less than the total of the contributions, the difference shall be paid to the estate of the beneficiary unless the retired individual designates a different recipient with the board at or after retirement.

6. If a member dies before receiving a retirement allowance, the member's accumulated contributions at the time of the member's death shall be paid to the member's beneficiary or to the member's estate, if there be no beneficiary; provided, however, that no such payment shall be made if the beneficiary elects option 2 in subsection 4 of this section, unless the beneficiary dies before having received benefits pursuant to that subsection equal to the accumulated contributions of the member, in which case the amount of accumulated contributions in excess of the total benefits paid pursuant to that subsection shall be paid to the estate of the beneficiary.

7. If a member ceases to be an employee as defined in section 169.600 and certifies to the board of trustees that such cessation is permanent or if the person's membership is otherwise terminated, the person shall be paid the person's accumulated contributions with interest.

8. Notwithstanding any provisions of sections 169.600 to 169.715 to the contrary, if a member ceases to be an employee as defined in section 169.600 after acquiring five or more years of creditable service, the member may, at the option of the member, leave the member's contributions with the retirement system and claim a retirement allowance any time after the member reaches the minimum age for voluntary retirement. When the member's claim is presented to the board, the member shall be granted an allowance as provided in sections 169.600 to 169.715 on the basis of the member's age and years of service.

9. The retirement allowance of a member retired because of disability shall be nine-tenths of the allowance to which the member's creditable service would entitle the member if the member's age were sixty.

10. Notwithstanding any provisions of sections 169.600 to 169.715 to the contrary, any member who is a member prior to October 13, 1969, may elect to have the member's retirement allowance computed in accordance with sections 169.600 to 169.715 as they existed prior to October 13, 1969.

11. Any application for retirement shall include a sworn statement by the member certifying that the spouse of the member at the time the application was completed was aware of the application and the plan of retirement elected in the application.

12. Notwithstanding any other provision of law, any person retired prior to August 14, 1984, who is receiving a reduced retirement allowance under option 1 or 2 of subsection 4 of this section, as the option existed prior to August 14, 1984, and whose beneficiary nominated to receive continued retirement allowance payments under the elected option dies or has died, shall upon application to the board of trustees have the person's retirement allowance increased to the amount the person would have been receiving had the person not elected the option, actuarially adjusted to recognize any excessive benefits which would have been paid to the person up to the time of the application.

13. Benefits paid pursuant to the provisions of the nonteacher school employee retirement system of Missouri shall not exceed the limitations of Section 415 of Title 26 of the United States Code.

14. Any member who has retired prior to July 1, 1999, and the designated beneficiary of a deceased retired member upon request shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging. As compensation for such duties the person shall receive a payment equivalent to seven and four-tenths percent of the previous month's benefit, which shall be added to the member's or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 2 and 3 of this section for the purposes of the limit on the total amount of increases which may be received.

15. Any member who has retired prior to July 1, 2000, and the designated beneficiary of a deceased retired member upon request shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging. As compensation for such duties the person shall receive a payment equivalent to three and four-tenths percent of the previous month's benefit, which shall be added to the member's or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 2 and 3 of this section for the purposes of the limit on the total amount of increases which may be received.

16. Any member who has retired prior to July 1, 2001, and the designated beneficiary of a deceased retired member upon request shall be made, constituted,

196 appointed and employed by the board as a special consultant on the matters of education,
197 retirement and aging. As compensation for such duties the person shall receive a payment
198 equivalent to seven and one-tenth percent of the previous month's benefit, which shall be
199 added to the member's or beneficiary's monthly annuity and which shall not be subject to
200 the provisions of subsections 2 and 3 of this section for the purposes of the limit on the total
201 amount of increases which may be received.

Section 1. Any reference to the term "spouse" in Section 169.010 to 169.715 RSMo
2 only recognizes marriage between a man and a woman. A marriage between persons of
3 the same sex will not be recognized for any purpose in this state even when valid where
4 contracted.

Section B. Because immediate action is necessary to provide equitable treatment and
2 timely application of certain pension benefits and compensation, section A of this act is deemed
3 necessary for the immediate preservation of the public health, welfare, peace and safety, and is
4 hereby declared to be an emergency act within the meaning of the constitution, and section A of
5 this act shall be in full force and effect on July 1, 2001, or upon its passage and approval,
6 whichever later occurs.